

Purchasing Week

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Steel Peace Starts Prices Up—Slow but Sure

Senate May Probe GE Conversations With Competitors

Washington—General Electric Co.'s admission that some of its officials held price discussions with competitors could well find its way into the next round of congressional inquiry and government antitrust activity.

The revelations concerning GE executives came in an unprecedented speech by Board Chairman Ralph J. Cordiner at the company's annual management conference in Hot Springs, Va. last week.

Cordiner's disclosures attracted special attention here because a federal grand jury in Philadelphia has been investigating possible price collusion by electrical equipment manufacturers in submitting identical bids to the Tennessee Valley Authority. Sen. Estes Kefauver and his Antimonopoly subcommittee also have been active in pressing inquiries into the TVA complaints.









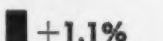

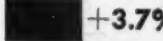


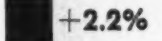
In his blunt statement, Cordiner made these points:

- GE's top command, when finally aware that some plant or product general managers and other responsible employees had violated company policy, has taken firm disciplinary steps to punish the offenders by demotion, pay cuts, and transfers.

- The offenses included discussion of prices with competing equipment manufacturers over the past several years, up to and including 1959, in violation of a company directive barring any discussion of prices or other competitive subjects with competing manufacturers.

- Despite the "blot upon the company's good name," GE intends to see that any other employee involved in the price discussion is punished.

(Turn to page 23, column 1)

1955	1956	1957
 +6.0%	 +5.2%	 +4.2%
Steel Wages	Steel Wages	Steel Wages
 +7.9%	 +8.6%	 +5.2%
Steel Prices	Steel Prices	Steel Prices
 +5.6%	 +4.1%	 +1.1%
Industrial Prices	Industrial Prices	Industrial Prices
1958	1959	1960
 +7.9%	 +3.7%*	 +3.5%
Steel Wages	Steel Wages	Wages
 +3.8%	No Change	PRICES ?
Steel Prices	No Change	Industrial Prices
 +2.2%	No Change	+1% (Estimated)

*This rise was not concentrated, as were other rises (except in 1960), in a few mid-year months.

Note: All steel figures are mid-year figures representing changes in steel wages or prices. Industrial wholesale prices are those of six months later.

First Boosts Will Be Selective; Then Tags Will Go Up \$2-\$4 Ton

New York—Steel buying costs will rise almost immediately as a result of the sudden metal settlement reached under political auspices last week.

This will be the initial phase of an economic chain reaction, sparked by the steel agreement, which is expected to ricochet through industry with the following results:

• Selective Price Increases:

Top economists and industry sources say steel producers will recoup part of the contract costs by hiking so-called "hidden" costs of steel buying—slashing discounts, tightening credit terms, and raising prices on specialty steel items and extras. The smaller steel producers, hit hardest by the settlement, are expected to instigate the limited hikes shortly, with the rest of the industry following suit.

• Across-the-Board Hikes:

There are reports of a "gentlemen's agreement" between the steel industry and the government stipulating no general price boost prior to the first hard-money wage increase which comes Dec. 1, 1960—after elections. When the major round of price increases come, in-the-know sources say they'll average \$2.50. Another price hike of \$1-\$1.25 is expected to follow the wage increase in 1961. The over-all per-ton price rise over the 30-month contract could go as high as \$4.00.

• Higher Prices for Ferrous Metal Products:

By far the majority of respondents to a PURCHASING WEEK survey insist they could not afford to absorb higher steel prices. Most already are preparing to pass along any and all added steel costs. A few firms, (Turn to page 22, column 1)

Hand-to-Mouth Pricing Is All You Get Today

Left-Out Feeling For Rails as Steel Settles

New York—Railroad executives reacted bitterly last week to the steel settlement, declaring it could have "sabotaging effects" on their current negotiations.

"We're in for some big trouble now," a top railroad official told PW. "The steel industry left us all alone to fight the work-rules battle."

He indicated that the rail (Turn to page 21, column 3)

New York—Current terms of sale clearly reflect the price smog that has settled over the metal-working industry as a result of the steel settlement.

Only purchasing agents dealing from positions of great strength are now being assured firm prices on ferrous metal products, and then, in most instances, only for relatively short periods of time.

The sales contract situation, as reported to PURCHASING WEEK by major metal product manufacturers throughout the country, can be summed up in these words:

"Prices in effect at time of shipment."

The sales vice president for Space Corp., a Dallas electronics manufacturer, disclosed that all contracts are currently being quoted "subject to steel price increases." This will enable the (Turn to page 22, column 4)

Pass the Salt

Chicago—B-T-T-T! That about sums up a Salt Institute report on how last year's extra-icy winter storms affected purchases of de-icing salt for northern roadways.

Discouraged by last winter's sleet, state, county and municipal P.A.'s have ordered a record 2.2 million tons of the salt for the current season, the Salt Institute report points out.

What's in an Extra?

Steel "extras" are quality specifications such as special coating, special packaging, or special chemical analysis, requested by the buyer. In general, they involve any special buyer requirement entailing other than ordinary handling or delivery of a common type of steel, which raises the price to a point over and above the base price.

This Week's

Purchasing Perspective

JAN. 11-17

In playing down the cost aspects of the steel settlement, government economists assert that any resultant price increases will be "moderate and non-inflationary." What they are really saying is that they don't feel the settlement will touch off a big new inflationary price spiral.

- The Consumer Price Index, official barometer of inflation, does not readily indicate some of the "hidden costs" of steel buying. These include many of the extras, discounts, and other contract terms that don't appear on standard price lists.

- Because an across-the-board price increase—when it comes—probably will be mild by past standards, in the \$2 to \$4 range, many analysts believe the economy will absorb it without generating a runaway in general price levels.

But not all industrial managers, or purchasing directors, buy this relatively optimistic appraisal. They insist that while steel (Turn to page 21, column 1)

P/W PANORAMA

- **It's Going to Be a Long, Slow Inventory Buildup** now that we're off the steel hook. Commerce Department says stocks hit their low in November (page 4) and Purchasing Perspective (page 1) describes how tedious the road back probably will be.

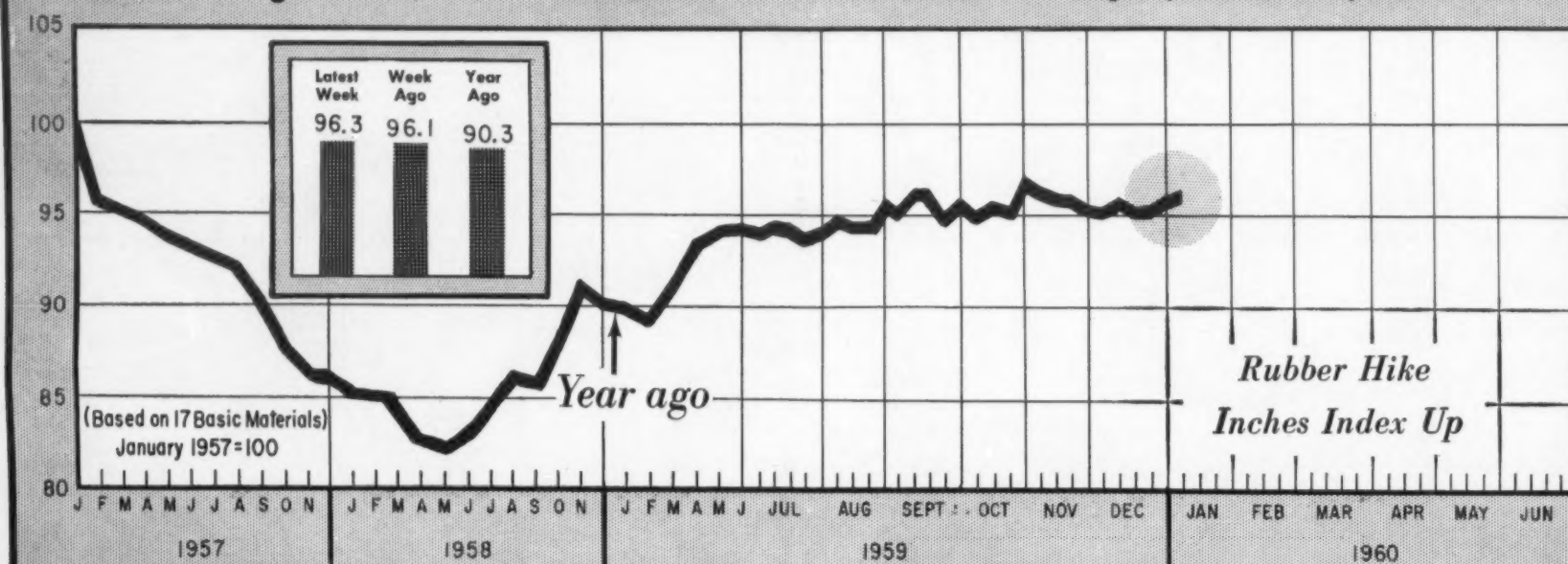
- **Prices for Packaging Materials Show a Zigzag Pattern.** Metal containers are going up; the paper people either have—or will have—hikes in the works; glass and plastics meantime look pretty steady. For a complete roundup, see page 3.

- **Used Machinery Prices, as Usual, Are a Victim of winter.** Sales are sporadic and prices sluggish. A rundown of the latest auctions on page 14 gives you clues.

- **You're Going to Hear a Lot More About Foreign Trade** activity in the months ahead. This is no passing phenomenon as the analysis on page 4 clearly indicates.

Purchasing Week Industrial Materials Price Barometer

This index, based on 17 basic materials, was especially designed by the McGraw-Hill Department of Economics.



This Week's Commodity Prices

METALS

	Jan. 6	Dec. 30	Year Ago	% Yrly Change
Pig iron, Bessemer, Pitts., gross ton.....	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton.....	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton.....	80.00	80.00	80.00	0
Steel, structural shapes, Pitts., cwt.....	5.50	5.50	5.50	0
Steel, structural shapes, Los Angeles, cwt.....	6.20	6.20	6.20	0
Steel, bars, del., Phila., cwt.....	5.975	5.975	5.975	0
Steel, bars, Pitts., cwt.....	5.675	5.675	5.675	0
Steel, plates, Chicago, cwt.....	5.30	5.30	5.30	0
Steel scrap, #1 heavy, del. Pitts., gross ton.....	42.00	42.00	43.00	-2.3
Steel scrap, #1 heavy, del. Cleve., gross ton.....	41.00	41.00	39.00	+5.1

Steel scrap, #1 heavy, del. Chicago, gross ton.....	40.00	40.00	43.00	-7.0
Aluminum, pig, lb.....	.26	.26	.247	+5.3
Secondary aluminum, #380 lb.....	.25	.239	.218	+14.7
Copper, electrolytic, wire bars, refinery, lb.....	.336	.338	.286	+17.5
Copper scrap, #2, smelters price, lb.....	.26	.26	.233	+11.6
Lead, common, N.Y., lb.....	.12	.12	.13	-7.7
Nickel, electrolytic, producers, lb.....	.74	.74	.74	0
Nickel, electrolytic, dealers, lb.....	.74	.74	.74	0
Tin, Straits, N.Y., lb.....	.993	.991	.991	0
Zinc, Prime West, East St. Louis, lb.....	.118	.125	.115	+2.6

FUELS†

Fuel oil #6 or Bunker C, Gulf, bbl.....	2.00	2.00	2.00	0
Fuel oil #6 or Bunker C, N.Y. barge, bbl.....	2.37	2.37	2.37	0
Heavy fuel, PS 400, Los Angeles, rack, bbl.....	2.15	2.15	2.15	0
Lp-Gas, Propane, Okla. tank cars, gal.....	.05	.05	.055	-9.1
Gasoline, 91 oct. reg., Chicago, tank car, gal.....	.113	.113	.115	-1.7
Gasoline, 84 oct. reg., Los Angeles, rack, gal.....	.11	.11	.108	+1.9
Kerosene, Gulf, Cargoes, gal.....	.095	.095	.099	-4.1
Heating oil #2, Chicago, bulk, gal.....	.096	.096	.13	-26.2

CHEMICALS

Ammonia, anhydros, refrigeration, tanks, ton.....	90.50	88.50	90.50	0
Benzene, petroleum, tanks, Houston, gal.....	.34	.31	.31	+9.7
Caustic soda, 76% solid, drums, carlots, cwt.....	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb.....	.19	.19	.203	-6.4
Glycerine, synthetic, tanks, lb.....	.293	.293	.278	+5.4
Linseed oil, raw, in drums, carlots, lb.....	.176	.176	.16	+10.0
Phthalic anhydride, tanks, lb.....	.165	.165	.205	-19.5
Polyethylene resin, high pressure molding, carlots, lb.....	.325	.325	.325	0
Rosin, W.G. grade, carlots, fob N.Y. cwt.....	13.10	13.10	9.85	+33.0
Shellac, T.N., N.Y. lb.....	.31	.31	.31	0
Soda ash, 58%, light, carlots, cwt.....	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton.....	23.50	23.50	23.50	0
Sulfuric acid 66% commercial, tanks, ton.....	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb.....	.085	.06	.078	+9.0
Titanium dioxide, anatase, reg. carlots, lb.....	.255	.255	.255	0

PAPER

Book paper, A grade, Eng. finish, Untrimmed, carlots, cwt.....	17.20	17.20	17.00	+1.2
Bond paper, #1 sulfite, water marked 20 lb, car. lots, cwt.....	25.20	25.20	24.20	+4.1
Chipboard, del. N.Y., carlots, ton.....	100.00	95.00	100.00	0
Wrapping paper, std. Kraft, basis wt. 50 lb rolls.....	9.25	9.25	9.00	+2.3
Gummed sealing tape, #2, 60 lb basis, 600 ft. bundle.....	6.30	6.30	6.40	-1.6
Old corrugated boxes, dealers, Chicago, ton.....	22.00	22.00	23.00	-4.3

BUILDING MATERIALS‡

Cement, Portland, bulk carlots, fob New Orleans, bbl.....	3.65	3.65	3.65	0
Cement, Portland, bulk carlots, fob N.Y., bbl.....	4.18	4.18	4.29	-2.6
Southern pine, 2x4, s4s, trucklots, fob N.Y., mftbm.....	126.00	126.00	119.00	+5.9
Douglas fir, 2x4, s4s, carlots, fob Chicago, mftbm.....	139.00	139.00	130.00	+6.9
Douglas fir, 2x4, s4s, carlots, fob Toronto, mftbm.....	118.00	104.00	109.00	+8.3

TEXTILES

Burlap, 10 oz. 40", N.Y., yd.....	.106	.107	.106	0
Cotton middling, 1", N.Y., lb.....	.331	.332	.357	-7.3
Printcloth, 39", 80x80, N.Y., spot, yd.....	.230	.230	.182	+26.4
Rayon twill 40½", 92x62, N.Y., yd.....	.235	.235	.22	+6.8
Wool tops, N.Y., lb.....	1.585	1.59	1.45	+9.3

HIDES AND RUBBER

Hides, cow, light native, packers, Chicago, lb.....	.215	.215	.192	+12.0
Rubber, #1 std ribbed smoked sheets, N.Y., lb.....	.432	.430	.305	+41.6

† Source: Petroleum Week ‡ Source: Engineering News-Record

This Week's

Price Perspective

JANUARY 11-17

The steel settlement raises some important new questions about 1960 cost, price, and inventory trends.

- Does the new steel agreement mean another round of wage hikes?
- How will the settlement affect industrial price averages?
- How will it affect inventories?

The shape of 1960—and its purchasing blueprint—will depend largely on how these questions are answered.

THE FIRST THOUGHT that comes to mind when taking a quick look at the 40¢-per-hour steel package is that it's an awful lot of money. But after a closer look, the package isn't nearly so formidable as some have painted it.

Spread this 40¢ figure over the 30 months the contract is slated to run—and you come up with an annual wage increase of less than 16¢ per hour.

That's only a bit over the 10-13¢ range noted for other major contracts signed over the past few months.

Percentage-wise, it means an annual increase in hourly costs for steel of about 3½ to 3¾%. That's well below the 8% average noted over the past two decades. Also, it's not far above the expected 2 to 2½% productivity increase anticipated for the steel industry this year.

On the pessimistic side, of course, there's the steel company's backing away on demands to change "featherbedding" work rules. Their retreat is likely to have an effect on other negotiations—particularly railroads.

INDUSTRIAL PRICES—despite this relatively modest labor cost push—will show considerable variation.

You can expect some price hikes in sensitive raw materials as inventories are built up. Some items such as nonferrous metals—themselves hit by strikes—will be particularly sensitive to increased demand.

But tags on these materials should begin to ease after mid-year as huge reserve production capacity is brought into operation and the inventory buildup starts to slacken off.

Prices of fabricated products, meanwhile, will show only a mild upward tendency. With no across-the-board steel hike in the immediate offing, there's little reason to expect a general round of industrial price hikes.

Conclusion: We still stand by our earlier 1960 prediction: Only about a 1% boost in industrial prices over the entire year.

INVENTORY REEVALUATION will be another result of the steel settlement. With the threat of shortages disappearing, inventories can again be built up to normal working levels.

Latest stocks statistics indicate this trend toward accumulation is already under-way. Factory inventories of hard goods on December 1, for example, were already up \$100 million over strike lows.

But there's still a long way to go. It would take another billion dollars just to build these hard goods stocks up to pre-strike levels.

Assuming the rebuilding could be done by mid-year, this would still leave inventories far below saturation levels—for two reasons:

1. Pre-strike levels relative to production schedules were still low. Day's supply on hand in July, for example, was still 14% below year-earlier levels.
2. Production will be rising in coming months—requiring additional inventories just to maintain a constant day's supply.

Container, Packaging Prices Promise Stability

Can Prices Still Below 1958 Level; Some Price Movement in Paper; Glass, Plastics Hold Steady

New York—Packaging cost prospects for 1960 look generally stable despite price increases in some key container lines scheduled for the first quarter, beginning with the can boosts on Jan. 15.

A PW analysis of 1960 prospects in the major container areas shapes up this way:

Metal containers: The price increases announced by the major can companies for this Friday will differ over a wide range of tin and aluminum cans. They will average out, according to informed sources, to about 1½%. That would still leave prices below late 1958 levels.

The increase will reflect costs—primarily labor—which have risen since last April, when the companies lowered many of their metal container prices (see chart at right).

The new prices do not provide for a possible increase in tinplate costs resulting from the recent steel settlement. As an executive of one major can company said, "We guarantee the new prices to our customers for the year, barring any increase in our steel costs."

An increase in tinplate costs need not necessarily result in a further price increase for tin cans, he pointed out, but prices were set so low that additional cost increases would be very difficult to absorb.

Paper packaging: Paper container prices, after a long period of stability (see chart), have started to show some movement. Corrugated box prices went up 5% at the end of 1959.

No further increase in corrugated prices is looked for in 1960.

But not so for folding boxes. Some box manufacturing executives look for a 5% rise in folding box prices over 1960 with the increases starting in March and easing up gradually.

As one manufacturer put it, "We've been buying paperboard at discounts from list prices. Now these discounts are drying up throughout the industry. Folding boxes have been priced on the purchasing cost of board, not the list price, and so they'll be going up."

Other pressures on folding box prices—which have been stable for two years—come from rising labor, material and transportation costs.

Glass containers: The glass container people do not foresee any prospective price increases in the coming year.

There is some pointing to the Feb. 29 termination date of the Glass Bottle Blowers labor contract as a start for increased cost pressure, but a financial report assessing the industry's financial position as one where "profit margins have been widening with increased volume" indicates that reasonable cost increases can be absorbed.

Plastic packaging: Here also no significant price changes are looked for in 1960.

The prices of some important

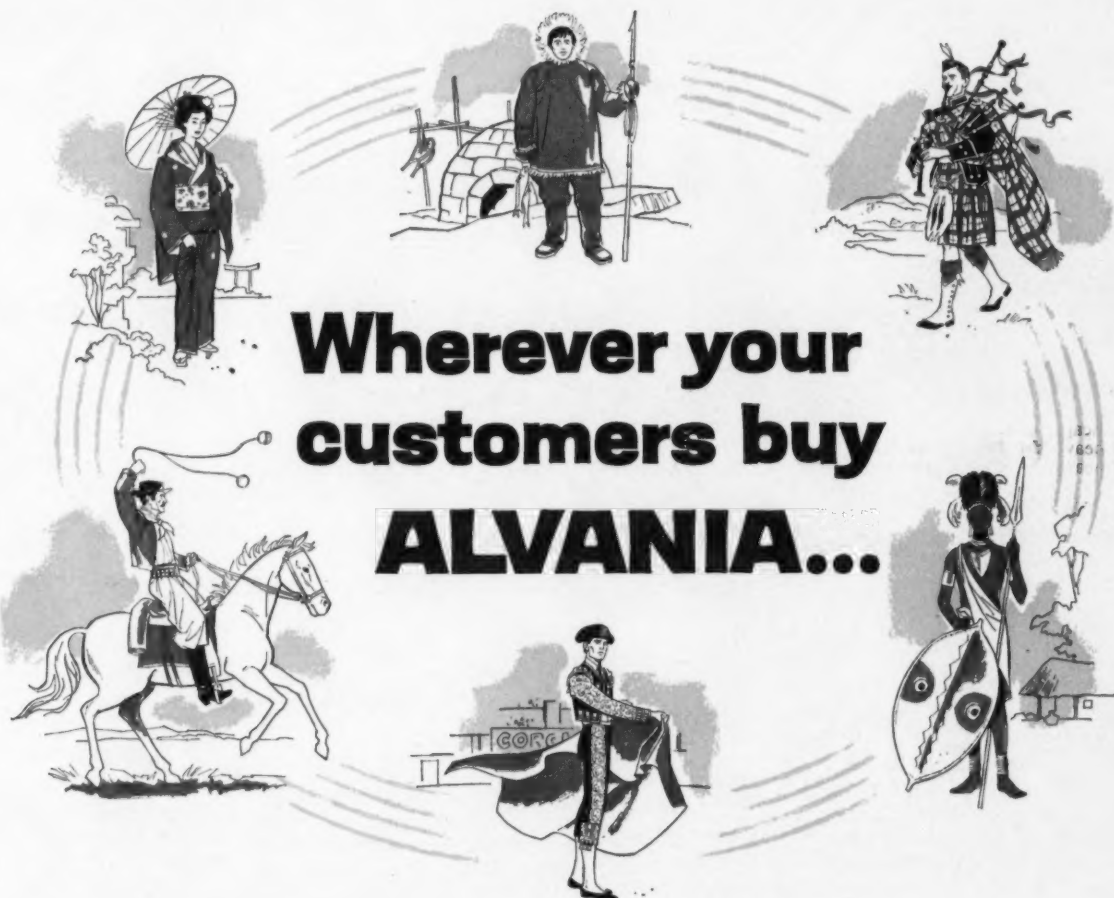
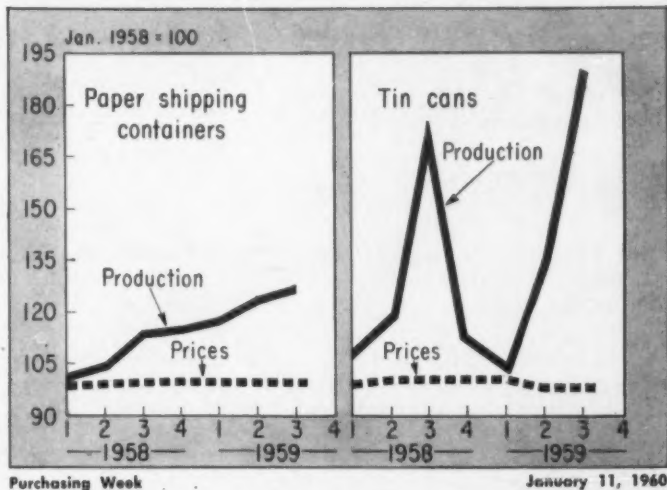
plastic-packaging raw materials have declined recently, but it is unlikely that prices will be reduced because profit margins are low in some areas—especially for the important flexible-packaging converter sector.

The entire packaging industry is looking forward to a fine 1960, with an over-all 6% estimated expansion expected. Metal containers predict a new production

high, passing their former 1956 peak.

Paper containers anticipate a 4-5% increase in production for 1960. Glass container demand is expected to bring about a 3% increase in 1960 shipments over 1959.

The most significant growth is looked for in plastics packaging where a 12% expansion is forecast. The sharpest increase, anticipated in blow-molded plastic containers, will be generated by demand for detergent and aerosol packaging.



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Washington Perspective

JAN. 11-17

The Administration engaged in some fancy footwork on its basic labor and inflation policies to bring off the steel settlement.

President Eisenhower broke with his official "hands off" policy on labor disputes, although it wasn't the first time his administration had intervened to settle a major labor-management hassle.

The 1956 steel deadlock was broken by the Administration—but it was former Treasury Secretary George M. Humphrey and Labor Secretary Mitchell that brought off the agreement.

Eisenhower didn't carry the ball himself this time either, as former President Truman used to do. Instead, Eisenhower gave the word to Vice President Nixon to produce a settlement, a fact that was confirmed by Press Secretary Hagerty at a press conference the day following the settlement.

Nixon strengthened his position as Eisenhower's heir apparent and emerged with his political prospects materially brightened. As one political observer noted: "Nixon was already acting as President a year ahead of schedule."

The settlement wasn't out of line with the Administration's basic position on inflation. But the policy was strained.

The settlement will produce price rises. The Administration is aware of this; the steel companies so informed Mitchell in agreeing to the Administration's terms.

Nixon and Mitchell didn't want the rises. But they accepted them to get a contract signed. The Administration contends that the settlement won't produce any major inflationary rise, however.

The Administration by its action is showing that it is willing to take a little inflation to assure that there will be more growth, a position ordinarily identified with some Democrats.

Inflation will continue a major issue this year. But it now is questionable whether it will loom as large as last year. During 1959 inflation was the one big issue of the Administration. This year the Republicans have a couple of other good issues going for them in peace and prosperity.

Democratic leaders say they plan to get off to a fast start in this year's shortened congressional session.

They say they plan to act shortly on such big issues as aid to education, hiking the minimum wage, and on help to aged. The plan is to have them out of the way before the mid-February clash over civil rights ties up Congress.

The session got off to a curiously quiet start. But this is more like the lull before the storm. You can discount the claims of congressional leaders that this won't be a politically dominated session. With Congress and the White House at stake in this year's election, politics will be a dominating factor. Both sides will be trying to make issues to carry into the election.

All bets are off for any major labor legislation this year. Settlement of the steel dispute sidetracked this issue, much to the relief of the lawmakers.

They had no stomach for going through another bruising fight over Taft-Hartley again this year. The steel strike underscored again the shortcomings in the emergency provisions of the Taft-Hartley Act, and there is still some sentiment for revamping them. However, there appears little chance at this stage.

Settlement of the steel strike also headed off the biggest threat in years for government price control machinery.

Congress was getting set to institute some form of government arbitration procedures if a strike settlement couldn't be reached. But this raised the inevitable threat of setting up some form of machinery to police prices as well as wages.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,707	2,726*	2,085
Autos, units	111,574	103,574*	97,664
Trucks, units	18,304	15,993*	13,837
Crude runs, thous bbl, daily aver	8,369	8,266	8,256
Distillate fuel oil, thous bbl	14,129	13,206	14,593
Residual fuel oil, thous bbl	7,117	6,951	7,056
Gasoline, thous bbl	29,613	29,398	29,714
Petroleum refineries operating rate, %	86.1	85.0	85.7
Container board, tons	67,664	122,098	63,915
Boxboard, tons	70,857	129,528	64,560
Paper operating rate, %	62.2	95.8*	56.2
Lumber, thous of board ft	101,591	250,115	147,652
Bituminous coal, daily aver thous tons	1,370	1,564*	1,243
Electric power, million kilowatt hours	13,425	13,349	14,150
Eng const awards, mil \$ Eng News-Rec	231.4	191.0	260.0

* Revised

U.S. Foreign Trade to Hit New High

Outlook Is for Rise of 12% in Exports, 3-5% in Imports, Adding up to Export Surplus of \$2.5 Billion in 1960

New York—A significant jump in exports, along with a small rise in imports, will push the volume of American trade to a new high in the coming months. That's the outlook as seen by PURCHASING WEEK economists.

For purchasing executives, the new trade rush has double significance:

• In imports—the year 1960 promises a 3 to 5% increase, which will mean still more opportunities for buying cheaper foreign merchandise.

• In exports—if 1960 exports increase as indicated—about 12%—U.S. production lines will be a lot busier turning out goods for foreign customers in coming months.

And, so far as Uncle Sam is concerned, a rise in exports will help cure our balance-of-payments problems.

Assuming that first-of-year plans are carried through, the 12% rise in outgoing shipments should push the export total up to \$18.5 billion. When placed next to the smaller anticipated boost in imports (to \$16 billion), the U.S. can expect an export surplus of \$2.5 billion.

That's a sharp reversal from the decline in export surpluses noted over the past three years. In the year just ended, the export surplus or "trade gap" had narrowed to \$1 billion, a new post-war low (see chart, right).

But the gap wasn't enough to offset so-called "invisible imports"—U.S. tourist outlays abroad, gifts abroad, along with insurance and freight paid to foreign nationals. And that's why the U.S. felt the "balance of payment" pinch and had to ship out gold.

The expected increase in the export surplus to \$2.5 billion in 1960 should go a long way toward easing pressure on the dollar.

IMPORTS TO RISE

To get a better idea of how this improvement will come about, it's necessary to take a closer look at both imports and exports.

On the import side, the relatively modest increase projected for this year reflects the workings of two opposing forces.

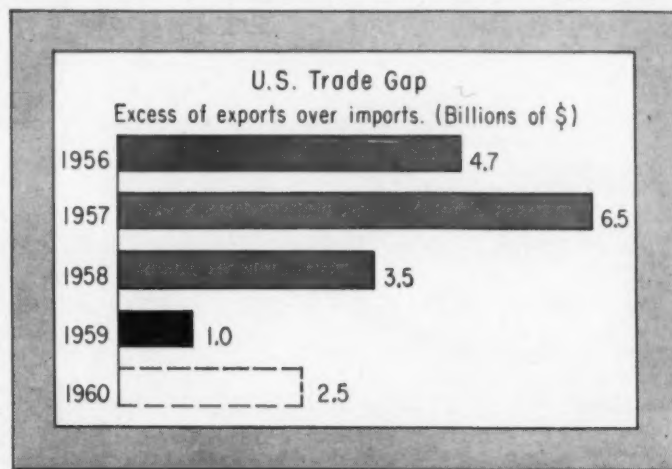
Higher U.S. activity, plus continued development of foreign supply sources established last year, will tend to raise imports. But partially offsetting this will be the expected decline in U.S. purchases of foreign cars. Indications are that domestic compact cars will be doing well and should cut substantially into the sales of foreign models.

The fact that an increase is expected—even with the decline in auto imports—is particularly significant. It means a greater-than-average jump in imports of materials, semifabricated products, and component parts. It's a continuation of the trend that started several years ago.

SEE BIG EXPORT RISE

But more than balancing out these import gains is the huge \$2 billion gain in exports expected for 1960.

The pickup—if it materializes—will stem from an upsurge in world demand for American goods—spurred on by booming business activity abroad and rising shipments of certain U.S. products which suffered a sharp



Purchasing Week

January 11, 1960

Inventories Head Upward Again As Industry Prepares for New Boom

Washington—Inventory levels are on their way up again. The first official government hint comes from the Commerce Department monthly inventory survey, which shows hard goods inventories up on Dec. 1 from month-earlier lows.

With assurances that steel will continue to flow, now that a labor settlement has been reached, Commerce officials look for an all-out buildup in inventories beginning with the new year.

The latest report detects some signs of a buildup in certain lines. Primary metals producers—the iron and steel manufacturers—and transportation equipment manufacturers reported slightly higher inventories on the books by Dec. 1 than a month earlier. Machinery makers, hard pressed for steel, showed some decline in their inventories, however.

Manufacturers' sales fell off some \$200 million to a total of \$29.2 billion (seasonally adjusted) for November. This was primarily accounted for by a cutback in auto production as a result of steel shortages, with little change noted from month-earlier sales in other hard goods lines.

Nondurable goods manufacturers increased their sales, with petroleum and food goods netting most of the gain.

Aside from automobiles, new orders also showed little change from October. Machinery manufacturers new order position slipped a little, while those for most metals producers rose.

For further details see table below.

Factory Sales, Stock, and Orders

(Billions of Dollars—Seasonally Adjusted)

	OCTOBER	NOVEMBER
SALES		
All manufacturing	29.4	29.2
Hard goods	14.0	13.5
Soft goods	15.4	15.7
INVENTORIES		
All manufacturing	51.5	51.5
Hard goods	29.2	29.3
Soft goods	22.3	22.2
NEW ORDERS		
All manufacturing	30.5	29.5
Hard goods	15.1	13.9
Soft goods	15.4	15.6

decline in 1959 in world trading.

Such an uptrend is already evident. Outgoing shipments in the third quarter of 1959, for example, were running at the seasonally adjusted annual rate of \$17.5 billion—\$2 billion above beginning-of-year levels.

And all signs point to a continuation of this trend. Cotton exports, for example, in the year

ending July 31, could hit 6 million bales—double the year earlier level.

Civilian aircraft will be another bright area for 1960 exports. The backlog of unfilled foreign orders (now estimated at \$500 million) will be able to be translated into exports now that domestic production in this field is accelerating.

Albany Aims to Cut Fuel Costs 10-15% by Buying Through State

Albany, N.Y.—The City of Albany will place its purchases of all fuel oil and gasoline for the next three months under a state purchasing contract in an effort to save money.

Prices might prove to be 10 to 15% lower than the city has been paying, said Mayor Erastus Corning II. The plan is experimental and the city will watch for savings.

To Test State Buying

Albany's Board of Contract and Supply voted recently to reject independent fuel oil contracts and participate in the new state program. Sears Oil Co. was one of four bidders whose bids were rejected by the Board so the program could be tried.

Albany has participated in some state purchasing programs in the past, but the new venture is understood to be the largest. The participation will last until Mar.

N. Y. Bill Aims To Bar Award Splitting

Albany, N. Y.—Two new bills aimed at strengthening the comptroller's audit of local affairs and plugging loopholes in the competitive-bidding law have been proposed by State Comptroller Arthur Levitt.

One of the measures would outlaw the splitting of purchase and public works contracts with the intent of avoiding competitive bidding.

The present statute requires competitive bidding only for "purchasing contracts involving an expenditure of more than \$1,000." Under this law, the contractor can split a contract up into several awards of less than \$1,000 and then negotiate each one separately. The comptroller's office is then left with the burden of proving a deliberate attempt to skirt the law.

The comptroller's amendment would change the law to read, "A purchasing contract or series of purchasing contracts which it is reasonable to anticipate will involve in the aggregate more than \$1,000 during a fiscal year."

The other bill would authorize the comptroller to require local governments to report how they comply with recommendations made in the comptroller's reports on local audits.

FTC Charges Two Firms With Price Pressuring

Washington—Two Dallas wholesale buying organizations and their members have been charged with inducing and receiving discriminatory prices from a number of suppliers of auto products.

The Federal Trade Commission has filed separate complaints against Southwestern Warehouse Distributors, Inc., and its 34 members, and Automotive Southwest, Inc., and its 15 members.

Stating that the buying groups do not, in fact, buy members' supplies, the complaints go on to charge the organizations with being mere bookkeeping devices through which unlawful price discriminations are effected.

In Oklahoma, They See Savings of up to \$100,000

Oklahoma City—Oklahoma's central purchasing agency is predicting savings of \$50,000 to \$100,000 on its latest volume purchase of 175 new highway department trucks.

Dealers present at the bidding confirmed the opinion, stating they had been able to quote lower than normal prices because their factories offered bigger discounts on volume.

Involved in the purchase were 105 two-ton dump trucks and 70 pick-up trucks. Total price was estimated at \$500,000.

Glass Men Agree on New Price Lists

Washington—Seven plate glass manufacturers have agreed to eliminate identical list prices and not to use any other company's list prices in selling to furniture manufacturers or distributors of mirror glass.

These were the principal provisions of a consent decree signed recently by Pittsburgh Plate Glass Co.; Carolina Mirror Corp.; Galax Mirror Corp.; Mount Airy Mirror Co.; Stroupe Mirror Co.; Virginia Mirror Co., Inc., and Weaver Mirror Co., Inc. The consent decree ends successful prosecution by the Justice Dept. of

price-fixing charges against the seven firms.

In companion antitrust suits—criminal and civil—filed in 1957, the Justice Dept. had charged the companies with a conspiracy to fix prices on plate glass mirrors sold to furniture manufacturers. The department said the companies agreed to use identical list prices and uniform discounts covering over 2,000 sizes of mirrors.

The consent judgment, which was signed Dec. 30, enjoins the companies from entering into price-fixing arrangements.



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Fine Paper Division INTERNATIONAL PAPER New York 17, N. Y.

Rails Call River Project '\$40-Million Porkbarrel'

Waterway Committee Charges Annual Savings Are Based on Swollen Estimates of Added Barge Traffic

Minneapolis, Minn.—Nine major Midwestern railroads have charged that a project to open the industrial district north of Minneapolis to river traffic by lifting barges over St. Anthony Falls is a "porkbarrel waste of \$40 million."

The Upper Harbor project, scheduled for completion in 1963, consists of two locks that will raise river cargoes and give them a navigable channel to the power dam at Fridley.

A report by the railroads, released by the Waterway Committee of the Association of American Railroads, said the locks amount to "unjustified government spending, will lift barges a total of 74 feet straight up so that navigation on the Mississippi River can be extended only 4.6 miles."

The railroads claiming the project is a "product of erroneous facts, misleading figures, and false calculations," include the Great Northern, Northern Pacific, Soo Line, Chicago Great Western, Chicago and Northwestern, Minneapolis and St. Louis, Rock Island, Milwaukee Road, and Burlington.

"Those who supported this project claimed annual savings in transportation costs of \$2.4-million based on a swollen estimate of three million tons of barge traffic beyond St. Anthony Falls," the report charged.

"The most reliable estimates obtained by the railroads foresee annual barge traffic above the falls of less than one million tons, with annual savings in transportation costs to the handful of industries which will benefit, of less than \$300,000."

Post Office Rate Hike Will Obsolete Charts, Scale Official Warns

Washington — Purchasing agents were advised this week that upcoming rate hikes for parcel post, catalogs, and printed advertising matter will make millions of postal scale charts obsolete.

Arthur Sanders, executive secretary of the Scale Manufacturers Association, said his industry is currently working at top speed to produce the needed charts. The boosts, ranging up to 35%, become effective Feb. 1.

The association head urged users of postal and other shipping scales to take the occasion to check the condition of their weighing devices for accuracy.

"With the ever-increasing cost of shipping," Sanders said, "it is very possible that substantial savings in postage, far in excess of the cost of the scale, can be effected by a test for accuracy made at the time the new charts are installed."

Although Post Office scales set the exact postage charge on all unstamped parcels, he pointed out, on pre-stamped packages postmasters want to know only if there is enough postage.

"Nobody hears of the refunds to senders for excess postage, because they are not made," Sanders declared.

The association executive, re-emphasizing the importance of accurate postal scales, added, "Gratis postage might help the Post Office Department's pressing fiscal problem, but it will not get you any better service."

Corrugated Boxes to Boom, Official Says

Chicago—A container company executive predicted last week that corrugated box production will increase 27% over the next five years.

"This growth would mean an output of nearly 14 billion boxes a year, or 70 for every American man, woman and child," said Norman H. Stone, board chairman and president of Stone Container Corp.

Stone went on to list these factors as evidence for growth:

• Development of color printing techniques. "These new processes, including striking effects with four-color presses," he said, "are helping open up new usages for corrugated in shipping containers, displays, and even shelf packages."

• Moistureproofing. "Moisture-proof corrugated containers should become the standard shipping box in large segments of the fresh produce and other major industries in the 1960's," the container executive declared.

In fresh produce alone, he estimated, moistureproof corrugated has a \$9 million a year market potential. When this package became popular for iced poultry shipments in 1959, Stone installed a new moistureproofing facility that can treat 25 million corrugated boxes a year, he said.

• Aluminum-foil surfaced corrugated boxes. "These have proved effective for insulating foods, beverages, and ready-to-eat meals, and have unique visual appeal," Stone stated.

As the volume increases, he continued, the cost of these containers will continue to become more competitive.

As the volume increases, he continued, the cost of these containers will continue to become more competitive.

Since Purchasing put in Bostitch stapling, Management's been calling this the "Savings Department."



The only profit you can make in your shipping room is the money you can save. An excellent way to save money is to switch to Bostitch stapling. Comparison proves that stapling is faster than other fastening methods, time after time. The speed advantage can be substantial.

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To find if there are stapling savings to be made in your shipping room, call in your Bostitch Economy Man. He'll be glad to answer questions. He's listed under "Bostitch" in your telephone directory, or you can write to the address below.

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Owens-Illinois Plans An All-Out Plastic Push

Toledo, Ohio—It's full steam ahead for plastics containers at Owens-Illinois. Expansion now underway at the big glass company includes:

- Installation of plastic bottle making facilities in a recently acquired plant in Kansas City.

- Construction of a new plastic container plant in Toronto, Ont., by the company's International Div.

- Added facilities at plants in St. Charles, Ill., and Glassboro, N. J.

Owens-Illinois president, Carl R. Megowen, discussing his company's wholesale dive into plastic containers with Purchasing Week, said:

"The reception by makers of liquid detergents, household cleaners, and other household products since the bottle's introduction in March, 1958, makes it necessary to substantially increase our present production capacity for the high-density polyethylene container.

"Producers of household products," he continued, "have been impressed with the lightness and ruggedness of this plastic container that can be blown into an infinite variety of shapes and in any color. Its light weight brings large savings in freight costs."

The O-I executive said the new plastic container "has important sales potentials and will take to market many new products that can't be properly marketed now for lack of a satisfactory package."

Another Owens executive indicated the company is currently making plastic containers for a number of producers outside the liquid detergent field, including a photo chemicals firm.

"Manufacturers of toilet cleaning products, liquid porcelain, and scum, rust, and stain removers are also coming to us now for plastic rather than tin containers," he said.

"There's a definite trend for the plastic blow-molded bottle," the spokesman declared, "not only because of light-weight and

the distinctive shapes available to packagers but because it won't leave any rust marks on kitchen sinks—a traditional housewife complaint."

"It is strong and rugged with a built-in pouring spout," chimed in Megowen. "Because it is translucent, the level of its contents can be seen," he added.

Both executives agreed, however, the plastic bottles "at this point in their development" have limitations in the food and beverage field where vacuum packing is required. But progress in this

direction is being made, they said.

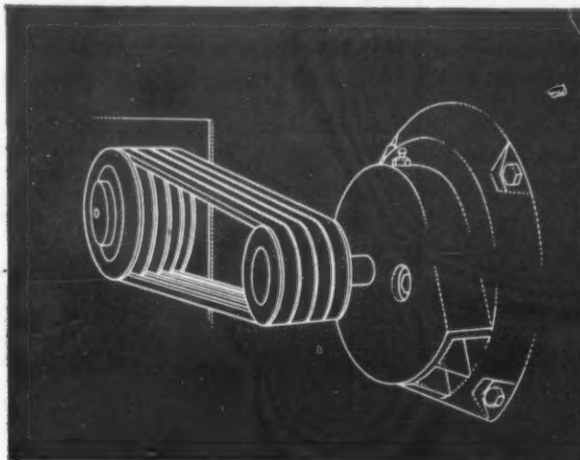
Owens-Illinois is keeping "mum" on production capacity in each of their new plants "because of the highly competitive atmosphere of the industry." An O-I spokesman hinted at increased production, "new machines," and a big year ahead.

Megowen would only acknowledge that Owens-Illinois now intends to "complement" its line of glass containers, which accounts for over 60% of the company's annual sales volume.



EXPANSION EFFORTS AT OWENS-ILLINOIS is solid evidence of the fast-growing trend to these new, durable plastic containers by industry.

BEFORE: This drawing of the former 4-belt drive on a clothes pressing unit is in the same scale as the photo of new Super HC V-Belt Drive at right. Heavy sheaves needed for 4 belts imposed high bearing loads.



AFTER: By redesigning the drive for Gates Super HC V-Belts only 3 belts are required and this Utah manufacturer saves 16 pounds in weight and 24% on the drive cost of every pressing unit it makes.



Manufacturer of pressing equipment cuts cost of drives 24%

New high capacity V-belt also saves weight and space!

This manufacturer is just one of many who have already turned to Gates Super HC V-Belts to achieve far more compact, lighter weight, lower cost V-belt drives for all types of machines. With new Super HC

V-Belts, sheave dimensions can be reduced 30% to 50%, overall space up to 50%, and drive weight by 20% and more.

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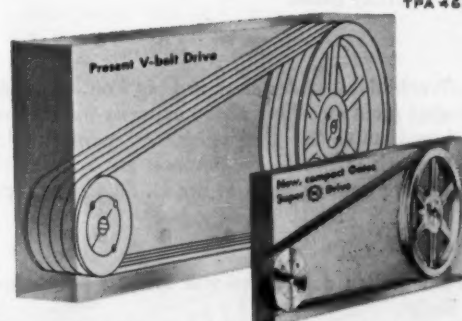
Whatever your plant's power transmission design problem, wherever you are, your nearby Gates Distributor or Field Representative is ready

to assist you to cut space, weight, and costs with Super HC. Ask him for a copy of "The Modern Way to Design Multiple V-Belt Drives."

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TPA 463

Gates Super HC V-Belt Drives same hp capacity in smaller "package"

Alcoa Markets a Sheet That Rebuffs Hot Water

Pittsburgh—A new aluminum alloy sheet offering "superior resistance to corrosive perforation by hot water" has been put on the market by Aluminum Co. of America. It was developed jointly with two-water heater manufacturers in a 10-year research program.

The new sheet, Alcoa said, offers these advantages:

- Eliminates "red water."
- Unbreakability.
- Economy of lightweight shipments.
- Rapid heat recovery rate.

"These alloy developments," an Alcoa spokesman predicted, "will encourage producers of water handling equipment to specify the light metal."

The spokesman said his company would aim for the big water heater market with the new alloy sheet, because it offers maximum efficiency in tanks where 180 degree water is required, as in washing machines and dish washers.

Foreign Perspective

JANUARY 11-17

Paris—Western trade and aid policies may be in for a sharp reappraisal.

There is a plan afoot to form a new economic council for the West—for consultation on trade and aid. It will be connected with the Organization for European Economic Cooperation (OEEC) and use OEEC secretariat and staff. But will not be the old OEEC itself.

France objected to OEEC as too much "Anglo-Saxon managed." If the new council is formed, the U.S. and Canada may become full members.

Its major aim will be to try to get the Common Market and British-led "Outer Seven" trade groups to start talking again.

The Council is also geared to formulating joint policies and programs of aid given by the Western industrialized countries to the under-developed countries. This will include a new distribution of burdens.

Some officials here think it could be a turning point in European history. That's because of high U.S. interest.

Actually, the U.S. interest is twofold: One is to prevent Western economic warfare. The other represents U.S. determination to expand its European trade—despite an unfavorable balance of payments.

• • •

London—Annual crystal-ball gazing in Britain has come up with promises that 1960 is going to be a boom year around the world.

In Europe, for example, Britishers anticipate a big upsurge in investment and production, shared broadly by most industries with the sore-thumb exceptions of coal and ship-building.

Year-end production statistics for the U.K. are also bullish. At latest reading, British industrial production was running a sharp 9% above year-ago levels.

British output revival looks more and more firmly based. It's currently shared by consumer goods industries, such as automobiles—which all along have been leading the way—by the steel industry, working at over 95% of capacity, and by machine tools, chemicals, and oil.

Main problem for the British economy, in fact, is how to keep the boom from boiling over into inflation during the next twelve months.

• • •

Tokyo—Americans may be facing more—not less—textile competition from Hong Kong.

That's the feeling here despite Hong Kong garment manufacturers' new decision to set up quotas on cotton garments exported to U.S.

Observers believe Britain's crown colony, with its constant flood of refugees out of China, and its own increasing population, will have to find other products for American market.

What's generally expected is immediate diversification into other types of garments and perhaps textiles. If Japanese experience is any guide—and most industry experts believe it is—this will mean more and more quotas as various items begin to hit American producers.

Many among the colony's manufacturers and in the government recognize that what's needed is broader diversification. There are already some signs of that. One American-backed company is reported thinking of making watch parts. There's also a move to set up a transistor radio assembly plant.

Publicity brought on by Under-Secretary Henry Kearnes' two recent trips to Hong Kong is also having some effect. It's resulted in a flood of U.S. inquiries about possible imports into America.

• • •

Vienna—Productivity continues to get top emphasis from Russian planning officials.

According to a report received here—some 70% of the Soviets' 1959 gain in industrial output can be traced back to productivity gains. Use of automated equipment is given credit for most of this progress.

Putting this figure another way, it means that Reds have racked up a sharp 7% increase in output per man hour during the year just ended.

West European officials here note that's about double the size of reported American productivity gains.

• • •

Madrid—World demand for steel and pig iron, sparked by the U. S. steel strike, has Spanish steel plants working at full capacity for the first time in many years.

An official spokesman for the Spanish steel industry said, "Despite the temporary resumption of work in the U. S., demand for Spanish steel and pig iron is very active. Orders are coming in from the U. S., Cuba, Japan, and other countries."

• • •

Milan—Four Italian companies will build a jointly owned \$11.5 million steel complex in Sicily.

The complex, which will take two years to complete, will consist of three plants—a hot-rolled steel sheet mill with an annual capacity of 200,000 long tons, a pipe plant which will produce 150,000 tons of welded pipe for water and gas pipelines, and a steel fabricating plant.

Forty percent of the capital required will be supplied by the four companies—Omsa, Aeronautica Sicula, and Acciaierie e Ferriere Siciliane, all of Sicily, and Safim Siderurgica, of Milan. The rest of the money will come from private and government financing.

Canadians Plan Six Pulp Mills

Vancouver, B. C.—Plans moved ahead last week to establish a vast pulp industry in British Columbia.

"At least six new pulp mills are in the talking stage," Minister of Industrial Development Robert W. Bonner stated in a government report. Two of the proposed mills will be on Vancouver Island, the other four on the mainland.

Spearheading the drive to open up the Canadian southwest is Wenner-Gren B. C. Development Co., whose plans for establishing "a huge industrial empire" in the Peace River section on the mainland include:

- Construction of a \$610 million hydroelectric dam with a 3 million kilowatt output on the Peace River. A report on the project has been filed with the B. C. government by Peace River Power Development Co., Ltd., a Wenner-Gren associate.

- Establishment of pulp mills with minimum annual production capacities of no less than 100,000 tons each.

- Establishment of a forest industry.

Imperial Cuts Price Tags On Solvents; Plans 25% Expansion

London—Imperial Chemical Industries, while announcing expansion plans for its solvents plant at Castner-Kellner Works in Runcorn, simultaneously announced reductions in solvents prices effective Jan. 1.

ICI expects the expansion, which includes a new manufacturing process, to lower production costs as well as to increase the company's total capacity of trichloroethylene and perchloroethylene by 25%.

Price reductions in January will bring trichloroethylene prices down 2% and perchloroethylene down nearly 6%.

Wenner-Gren will apply for tree-farm licenses in the area, a company official said, if mill-construction plans materialize. He said construction "could begin in 1961 if the report on the pulp complex is adopted."

Other firms "talking" of mills include Canadian Collieries Resources Ltd., and Tahsis Co., Ltd., both of whom are proposing to build pulp mills on Vancouver Island. On the mainland, Northern Spruce Co. has a mill under consideration at Prince George and John Luttin Ltd., is considering one at Kitimat.

British Sheet Maker Launches \$84 Million Expansion Program

London—A leading sheet maker here, Steel Co. of Wales, has launched an \$84 million expansion program which will increase its ingot capacity by 400,000 long tons.

The new program, which comes on top of some \$155 million worth of growth projects now under way, will also provide for installation of a continuous casting plant for slab production and construction of a 48-inch-wide hot strip mill.

The new mill will produce narrow coil, while the existing 80-inch mill specializes in wide sheet for auto-body manufacturers. The program is expected to be completed by the end of 1961.

British Retail Price Index Up

London—The British retail price index rose one point in November to 110, the first increase in a year.

The Ministry of Labor reports the rise was due to an upswing in the prices of imported butter, eggs and other dairy products, plus higher road and rail fares.



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Public Utilities Buyers Will Meet To Ponder Growing Buying Headaches

Atlanta, Ga.—Members of the Public Utility Buyers' Group of NAPA will tackle "Tomorrow's Problems Today" when they gather for their 29th annual Mid-Winter Conference here Feb. 1-2.

The meeting, which will be held at the Atlanta-Biltmore Hotel, will highlight such growing purchasing headaches as artificial pricing structures, steel, substitute materials, and capital equipment buying.

Mayor William B. Hartsfield of Atlanta will open the conference with a welcoming address, followed by greetings from Joseph C. Reeves, president of the Purchasing Agents Association of Georgia.

NAPA president Thomas O. English will then offer the utility buyers "Some Things To Think About" in the year ahead. Other speakers at the morning session the first day include Mark B. Covell of Union Electric Co. who will discuss "Purchasing's Role in Capital Equipment Buying," and Chet F. Ogden, vice president for Detroit Edison Co., who will elaborate on the Business Survey Report of NAPA.

Other Highlights

Other first-day program highlights will be a talk on the "Artificiality of Pricing Structures" by George H. Cole, manager of purchases for Alabama Power Co., and a discussion on "Obtaining Value for Your Electric Utility Dollar," by C. W. Mills, manager of the Electric Utility Sales Dept. of Westinghouse Electric Corp.

Problems to be taken up the second day include steel, non-ferrous metals, plastics, and current escalation practices. William S. Ginn, vice president of the turbine division of General Electric, will also discuss "Scheduling and Pricing Problems—Heavy Electrical Equipment."

Jersey Association Names Quigley as New President

Belleville, N. J.—The North Jersey Governmental Purchasing Agents Association has elected Richard A. Quigley, purchasing agent for Nutley as President of the group for 1960.

Other officers chosen to guide the newly-formed association include Aaron Troast, P.A. for Passaic, 1st vice-president; Frederick Bunker, P.A. for Rutherford, 2nd vice president, and Mrs. Geraldine Ann Winston, administrative assistant, Englewood, secretary-treasurer.

Now Western Purchasers Can Buy Hexagon Shapes

San Francisco—Aluminum buyers in north and central California, western Nevada, and Hawaii now can purchase Kaiser rod and bar in round, hexagon, and square shapes from Chase Brass & Copper Co.'s warehouse here.

Chase, only recently appointed a Kaiser distributor, eventually plans to stock aluminum in all 25 of its warehouses across the country, a Chase official said.

Fafnir Bearing Doubles Size of Its Factory

Newington, Conn.—A leading manufacturer of ball bearings, Fafnir Bearing Co., New Britain, Conn., will double the size of its plant here.

The expansion, scheduled for completion in the fall of 1960, will enable the company to process larger size rings from start to finish in a one-floor operation, a Fafnir spokesman said.

CHECKING INFORM-A-SHOW PLANS for the upcoming NAPA convention in Los Angeles are, (left to right) John Hairgrove, Braun Chemical Co., past president of L. A. Assn.; E. Benton Long, U. S. Lime Products Div. of Flintkote Co., General Convention Chairman; C. S. Perkins, Union Oil Co., president of L. A. Assn.; Raymond Hill, Arizona Public Service Co., District 1 NAPA vice president, and C. R. Raftery, North American Aviation's Autometrics Division.



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WHIPPET BOND—For forms, advertising literature, bulletins and catalog pages. An economical unwatermarked bond with top press performance qualities.

HAMMERMILL OFFSET SUPER-SMOOTH—Outstandingly level surface gives brilliant printing effects with life-like illustrations. Runs well on spirit duplicators.

HAMMERMILL OFFSET WOVE—For general purpose offset reproduction uses: advertising pieces, sales literature, manuals, catalogs.

HAMMERMILL OFFSET VELLUM—For all kinds of ad-promotion printing. Gives a softer more subtle effect to art work and product illustrations. Also works well with stencil duplicators.

GLOSSETTE COATED OFFSET—For sharpest reproductions of black and white or colors—type, solids, illustrations. Also ideal for bright, sharp spirit duplicator copies, and it works well as a spirit master.

DEEPLAKE OFFSET—A reliable general purpose paper at a very reasonable price. Wove finish.

HAMMERMILL OPAQUE—Gives extra sparkle to type, solids, illustrations. Tops for two-side printing. Is good for extra-quality stencil duplicating with contact dry or paste inks. Vellum finish.

HAMMERMILL COVER—For booklets, folders, menus and other cover paper jobs. High bulk, bright, colorful. Performs beautifully on stencil duplicators. Antique finish in radiant white and nine colors.

HAMMERMILL INDEX—For index cards, show cards, folders, menus and general advertising. Strong, snappy and easy to use in the typewriter or on the spirit duplicator. Is best index paper for any printing.

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HAMMERMILL Mimeo-BOND—For top-quality reproductions of bulletins, scripts, sales letters, other mimeographed messages. Lint-free, with minimum set-off. Gives more than 4,000 readable copies per stencil.

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For Spirit and Gelatin Duplicating

HAMMERMILL DUPLICATOR—Gives outstandingly bright, sharp copies of bulletins, reports, invoices, etc. Colors, made with alkali-resistant dyes, are right for Azograph duplicator use.

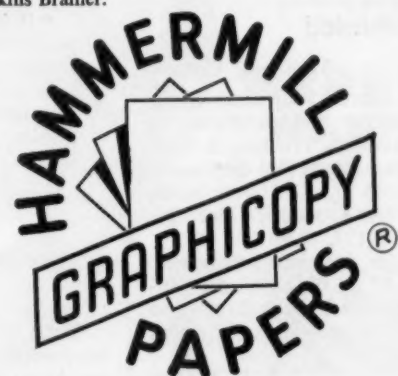
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P/W MANAGEMENT MEMOS

A collection of timely tips, quotations, and inside slants on management and industrial developments, along with a run-down of events and trends of use to the purchasing agent.

The Third Man

Arbitration as a method of settling labor-management disputes through a third party, gets new impetus as a result of the success of Vice President Nixon and Secretary of Labor Mitchell in ending the long steel deadlock. The dramatic payoff, coming as it did after only a few days of behind-the-scenes maneuvering, focuses attention anew on this technique as a way of handling strikes.

When you talk of arbitration, you're talking about one of its two varieties—the formal, or contractual kind, which is as binding as a court order; and the informal kind, which doesn't bind either party. And, equally important, there is the force of public opinion acting on both types of arbitral procedures.

Arbitration also may be coming into its own as a way of settling private rhuarbs. More and more businessmen are finding out that the "third man" technique offers a practical way out of costly, time-consuming litigation, a fact that is confirmed by several recent Supreme Court decisions. Now a business contract that involves interstate commerce or transportation can include an arbitration clause to take care of any possible dispute.

The American Arbitration Association, a group that will supply you with an accredited arbitrator to settle a dispute, has just done a 1,000-company survey to check the extent purchasing agents are using arbitration clauses in their industrial contracts. Though tabulation isn't completed, Morris Stone of AAA says:

"There's a higher incidence of arbitration clauses than we had expected . . ." to cover things such as failure to deliver, low quality, or improper delivery.

Another Red Light on Political Action

The Internal Revenue Service is on the warpath. Business, union, and trade association expenses for lobbying and political activity are getting close scrutiny from Uncle Sam.

Legitimate dues and contributions to industry associations have, until now, been deductible as business expense.

But here's the catch: A lot of trade association dues money goes to pay for activities that actually come under the heading of lobbying and politicking. That kind of expense, of course, is not deductible by individual firms. Now the IRS may try to track the lobbying portion of dues back to each association member and disallow it on his return.

A warning to P.A.'s: Not all contributions to associations and political parties are in cash. Many firms help out their trade association groups (or the party of an official) with contributions of office help, supplies and printing, free use of mailing equipment, ditto machines, and the like. If your

company gets into politics, look out. The Treasury may try to tab you for the fair market value of the services you've given away.

War on Inflation

There is talk now that the Federal Reserve Board may raise its discount rate—the interest charged on loans to member banks. This would tend to make the tight money situation even tighter.

The current Reserve Board discount rate—in effect since last September—is 4%. The banks' prime interest rate—the amount they charge their biggest borrowers—is 5%.

High as the rates are, there's talk that they may go even higher. If the rates should rise, member banks probably will pass the raise on to their customers in the form of a boost in prime rates. Borrowing then will become more expensive for everyone.

The reason the Reserve discount rate may be "forced" to rise is that the Treasury has had to pay more than 4½% on recent short-term borrowing. If the gap between Treasury interest rate payments on government bonds and the Federal Reserve discount rate gets wide enough, banks will find it profitable to borrow from the Federal Reserve to buy government bonds.

But it's not as simple as borrowing from Peter to pay Paul. Result of rediscount policy exerts powerful inflationary pressure on the whole economy because banks have acquired a liquid asset (government bonds) without spending any of their own money. (Banks can pump this money back into circulation by making loans.) More money in hand means more demand (the stuff burns a hole in everybody's pocket). And more demand means higher prices for everything the P.A. buys.

Buy Nippon?

Prices being what they are, it's not surprising that more and more purchasing agents these days are looking to foreign markets as a way of cutting costs. As an example of this trend, behold the gambling fraternity in Nevada. These gentlemen currently are experimenting with slot machines made in Japan. The machines are said to have a yen not only for yens—but for dollars.

Short Pointer

HEALTH NOTE: Scientists at a Symposium on Aging at Chicago a few days ago heard that animals that live in warm climates tend to have a shorter life span than those living in colder surroundings. Also, one scientist found that bats have a much greater longevity than mice of the same size. "This type of evidence," the scientific report says, "has led to the hypothesis that life is related to the 'rate of living.'"

MORAL: For longer life, keep cool, take it easy.

Follow Up: Letters and Comments

Samples Wanted

Montreal, Canada

I read with interest your items on the machine mounting pad produced by the Mike Krasilousky Trucking & Millwright Co. Inc., and the disposable towels produced by Chicopee Mills, Inc. (P.W. "New Products," Dec. 28, '59, pp. 16 and 17).

I would like descriptive literature and samples if possible. Should inquiries such as this be sent directly to the companies in question or through your office?

A. R. Walter
Director of Purchasing
E. F. Walter, Ltd.

• It is faster to write the companies directly rather than have us reroute your requests. For your convenience, complete addresses are included with company identifications in our "New Products" section.

Better Moving Buys

Boston, Mass.

Your Dec. 21 issue carried a very interesting article "What the Purchasing Agent Should Know About Buying Better Moving Services" (p. 12).

Please send me two or three reprints

of this article to take care of some of our local purchasing agents who would like to read it.

E. P. Emerson
Secretary New England
Purchasing Agents Association

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Follow-Up," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

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How can a purchasing agent assure himself that he is paying the 'right' price from sole sources?



B. B. Kimball, materials manager, Fairchild Astronics Div., Fairchild Engine & Airplane Corp., Wyandanch, L. I., N. Y.

"There are various steps we might take: (1) Try to get a complete cost breakdown on the item being purchased. This information would then be analyzed by the procurement and auditing departments as to the reasonableness of cost. (2) Have our estimating department cost out the item. (3) Check cost with other manufacturers who may be using the identical item. (4) Ask for a favorite customer clause (a guarantee that the buyer will not be charged more than anyone else for the same item and quantity). (5) Check against cost paid on like equipment."



R. I. Barnard, director of purchases, Blanchard Machine Co., Cambridge, Mass.

"In the majority of cases the purchasing agent has confidence and trust in his vendors and they in turn respect this feeling and will do all they can to be worthy of it. A request to the supplier stating that the purchaser is reviewing the cost on a particular item and would like the vendor to submit a quote should assure the purchaser of a competitive price. The supplier wants to retain his position of trust with the purchasing agent and also to get orders for the item in question."



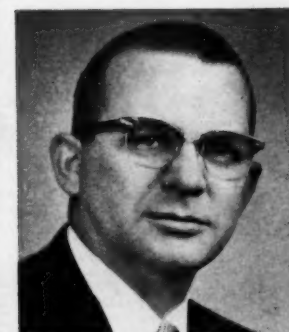
Mrs. Peggy Williams, purchasing agent, Otis Engineering Co., Dallas:

"To evaluate is to compare. If no comparison exists, there is no evaluation. I do not believe in the one sole source idea. If given an opportunity, suppliers usually can not only equal quality, but in some instances exceed it—often at a lower cost. I feel a buyer should always determine the functions required and then develop alternates. If the P.A. is absolutely unable to find a second source the only thing left to do is to have the part investigated by his own cost estimating or analysis department—in short value analysis."



E. B. Parkes, director of purchases, Rand McNally & Co., Chicago:

"We try to have more than one supplier for any given item. But if we did have a condition such as this we would make a spot check with others who could meet the equivalent or offer better quality, service, and cost. This can be done in several ways—either by sending the inquiry in the mail, by telephone, or from the representative who calls on us personally. I myself feel that salesmen are the greatest source of information."



M. F. Ham, purchasing agent, Winpower Mfg. Co., Newton, Iowa:

"The 'right price' can be defined only after the prevailing times and conditions have been analyzed. Sole sources should be considered only after they have proven their ability to give a consumer quality, service, and price. Constant surveillance on the buying staff's part can assure the right price at all times when using a sole source."



J. M. Leighton, supervising purchasing agent, Armco Steel Corp., Armco Division, Middletown, Ohio:

"Sole sources of supply are no problem to us. Most of the items used by our plants can be furnished by a number of suppliers. It is our practice to have several sources on our items. When a sole source comes up, we do our best to get at least one more supplier—and also keep checking prices on like items to keep us informed. We interview an average of 60 salesmen a day, and this keeps our buyers well informed."

In the World of Sales

Vincent K. Alexander has been named vice president of **Manheim Mfg. & Belting Co.**, Manheim, Pa. He will continue to serve as sales manager.

Thomas W. Allison has been promoted to vice president in charge of marketing and sales by **Aluminum Foils, Inc.**, Jackson, Tenn.

E. M. deWindt has been elected vice president and director of sales, **Eaton Mfg. Co.**, Cleveland.

William L. Parcell, vice president and director of sales, **Ridge Tool Co.**, Elyria, Ohio, has been made executive vice president. **R. D. Fye** takes over the duties of sales manager.

Kenneth E. Joy has moved up to the new post of vice president in charge of sales at **Judson L. Thomson Mfg. Co.**, Waltham, Mass.

A. E. Wolf has been appointed sales

director, **Metal Edge Industries**, Barrington, N. J.

John M. Furin has been advanced to assistant sales manager, **Viking Air Products Div.**, National-U. S. Radiator Corp., Cleveland.

Charles R. Spencer has been made field sales manager of **Gates Rubber Co.**, Denver.

George P. Burns has been elected vice president and sales manager-machine tools, **Van Norman Machine Co.**, Springfield, Mass.

Richard H. Powers, formerly manager of filament yarn sales, has been appointed assistant general sales manager, **Celanese Corp. of America**, New York.

Carl H. Gross has been assigned the new post of marketing manager, **Fischer Special Mfg. Co.**, Cincinnati. **Robert L. Payne** succeeds him as sales manager.



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In the purchase of special washers to meet your specific requirements, an important item of initial expense is *die cost*. In addition, the time factor that enters into the designing and building of special dies to conform to your blue prints can prove costly in terms of curtailed production of the equipment on which the washers are to be used.

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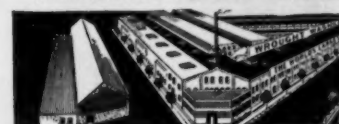
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If you're a P.A. with a plant full of automatic equipment that depends on electronic tubes for operation, you want to avoid expensive downtime and costs by keeping a ready supply of replacement tubes at hand. Industrial P.A.'s are becoming increasingly resourceful in finding new ways to make certain the machinery keeps humming. And suppliers, too, are doing their part. For example, Raytheon Manufacturing Co.'s new "Unimarket" system (see photos), answers just such a need.

This space-age purchasing system puts a complete stock of Ray



1. Timetable for typical order from tube distributor, Capitol Electronics, starts with IBM card (top) inserted into tube packages by this machine . . .



2. Shipment of 5,000 tubes goes by truck from Raytheon's warehouse in Westwood, Mass., to airport, and then via jet to Capitol in Los Angeles . . .



5. Raytheon's central warehouse in Westwood. Transmission completed, invoice, packing slip, and waybills are prepared automatically. Order goes . . .



6. To order picker at warehouse, who fills order out of Raytheon's vast supply of over 2,000 types of electronic tubes and then sends it to . . .

puter teamwork has

ORDERING, INVENTORY, SHIPPING

products at the P.A.'s disposal (no matter where he is) in a matter of hours. Order time now averages about one day, compared with a previous average of more than a week.

Teaming up to speed orders every step of the way are: a private-wire communication network devised by Western Union; an IBM data processing system; Raytheon's own RACYI inventory and order control system; and American Airlines' Boeing 707 jet air freighters.

Raytheon's John T. Thompson, manager of the Distributor Products Div.,

says the system saves his firm \$2 million in inventories formerly duplicated at three regional warehouses (all orders now are handled by the central warehouse at Westwood, Mass., near Boston). Costly air freight charges (paid by Raytheon) are more than made up by savings on inventory investment and by elimination of a great deal of paperwork.

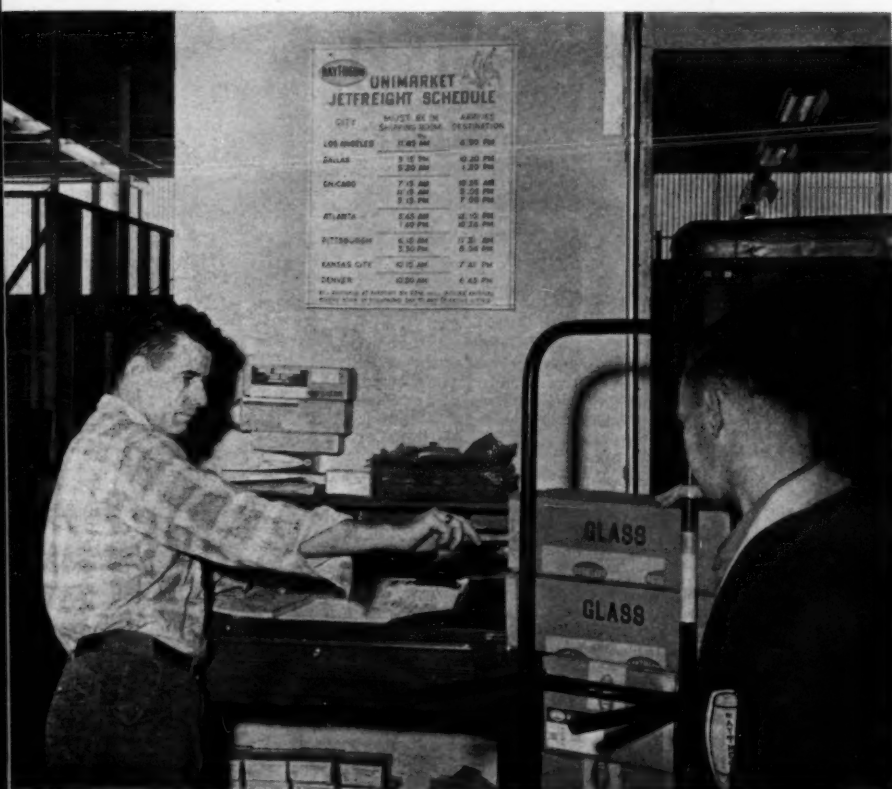
P.A.'s also will note these pulses: Distributor's men—and district salesmen—now have more time to help customers with technical and maintenance problems and to plan tube inventories on the basis of local needs.



3. As sales are made, Capitol's purchasing agent, George Unkeless, keeps his inventory of tubes up-to-date by collecting cards for each sale and . . .



4. Re-orders by feeding them into Tel-O-Rigenerator, Western Union's private wire transmitter, which reads information and transmits coded data to . . .

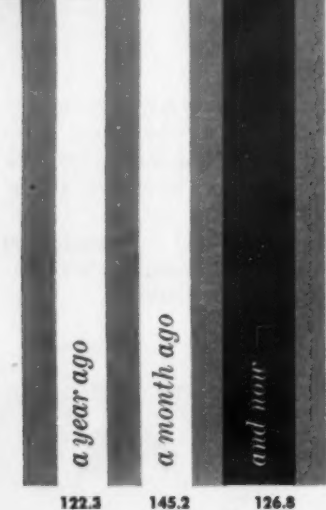


7. Shipping department, where it is packaged for shipment to distributor as air freight. Shipment containing recorder cards goes by . . .



8. Truck to airport, where it is loaded onto American Airlines' 707 jet air freighters and flown to Capitol in Los Angeles to complete the loop.

P/W REPORTS ON RESALE PRICES



LOW PRICES PREVAILED

at the few small sales (see chart) held in recent weeks—mostly in the East and Midwest. Particularly low prices were racked up at the Huebner Machine & Tool Co. sale at Neshaminy, Pa., early in December. Bidding was somewhat more spirited at the Kaltenbach auction in Cleveland—perhaps because of the proximity of the plant to metalworking firms. Antiquarian note: An 1882 24-in. Stockbridge lathe brought \$450.

NOW THROUGH JAN. 27

Bids will be received by General Services Administration for govern-

ment-owned industrial property at Huntington, W. Va. This is a completely equipped electronics production plant built during World War II and since operated for the Navy by a private electronics firm. Fireproof glass-and-brick, two-story plant has 140,000 sq ft of floor space. The 9.8-acre plant site includes several auxiliary buildings and a parking lot for 500 vehicles. Served by U.S. Highways 52 and 60, Ohio River barge lines, and three major railroads. Bids may be made (1) for the entire property, including plant and equipment, (2) for land and buildings only, or (3) for equipment only, either by lot or in its entirety, for off-site removal. Send bids to General Services Administration, Region 3 Bid Opening Room, 7th and D Sts., N.W., Washington 25, D. C. Brochure available on request.

JANUARY 12

Gould & Eberhardt, 433 Fabyan Place, Irvington, N. J. 2 boring bars, vertical boring mill, jig borer, 6 vertical and plain mills, 14 turret lathes, 16 other lathes, 7 radial drills, 3 planers, planer mill, 18 grinders of various types, 3 gear hobbers, gear cutter, bevel Coniflex, 2 broaches, 15 drillpresses, saws, sheet metal equipment, welders, air compressors, cranes, hoists, lift trucks, tools; heat treating, shop and office equipment.

WRITE, WIRE, PHONE: Samuel L. Winternitz & Co., First National Bank Bldg., Chicago 3, Ill. STAt 2-5908.

JANUARY 12

Precision Tool & Die Co., Inc., 954 W. Lake St., Chicago. Lathes, surface grinders, milling machines, shapers, saws, drillpresses, screw machines, tool crib contents, shop and office equipment.

WRITE, WIRE, PHONE: Norman

Levy & Co., Inc., 100 West Monroe St., Chicago. DEarborn 2-4178.

JANUARY 12

La Grange Shoe Corp., 216 Plum St., Red Wing, Minn. Clicking machines, skiving machines, 117 sewing machines, SHOE MACHINERY—tacking, lasting, marking, insoles, trimming, edging, eyeletting, perforation, etc. PLUS \$100,000 INVENTORY OF LEATHER, BINDINGS, THREAD, SOLES, LININGS, BUCKLES, etc.

WRITE, WIRE, PHONE: Meyer Gronik Co., 135 W. Wells St., Milwaukee. BR 3-7503.

JANUARY 13

Continental Mobile Homes, Inc., 4820 S. Cottage Grove, Chicago. House trailers, lumber, woodworking machinery, plumbing supplies, formica, aluminum, chrome trim, cabinets, plywood.

WRITE, WIRE, PHONE: Ace Auctioneers & Liquidators, Inc., 321 W. Lake St., Chicago 6. FI 6-5955.

FEBRUARY 4

Steel Partitions Inc., Lindon Park, Falconer, Jamestown, N. Y. STAMPING, SHEET METAL, WELDING AND TOOLROOM EQUIPMENT. 2 Vernon SS presses—350 ton (new 1947) and 300 tons (new 1943), press brakes, shears, large lot door hardware, MATERIALS HANDLING EQUIPMENT: 2 GMC tractors and trailers, crane, 3 electric hoists, monorail systems, fork truck.

ALSO FOR SALE: 3-story main plant and real estate (70,000 sq. ft.), including parking lot, storage sheds, 1-story toolroom, railroad siding, truck loading dock, modern offices.

WRITE, WIRE, PHONE: Industrial Plants Corp., 90 West Broadway, New York City. BArlay 7-4184.

Latest month's auctions

Auction held December 8 at Huebner Machine & Tool Co., Nesham-

iny, Pa. Auctioneer; Industrial Plants Corp.

Model J Bridgeport 1-hp turret miller, 9 x 42-in. table, with true-trace depth control. Serial BR-34006. \$3100.

Model RFV Rosenfors vertical miller, 12 x 51-in. table, new 1957. \$3200.

4 Model J Bridgeport 1-hp vertical turret millers, 9 x 36-in. table. Serial #BR-37864—\$1450. BR-37741—\$1600. #26974—\$1700. #16733—\$1175.

#2 Brown & Sharpe light plain horiz. miller, 10 x 44 3/4 in. table, Serial #4466. \$1850.

#8BG Johnson open-back inclinable power press, 90-ton capacity, new in 1958. \$7500.

#65 Walsh open-back inclinable, 65-ton capacity. Circa 1950's. \$2200.

#3 F W Johnson open-back inclinable power press, flywheel type, 27-ton capacity. New 1957. \$1050. Model ML DoALL 16-in. continuous metalcutting bandsaw. Circa 1950's. \$1250.

Model 8CD Kalamazoo horiz. continuous metalcutting bandsaw, portable, hydraulic downfeed. Serial #5316360. \$500.

Model D-16, 16 x 36-in. Sebastian geared-head tool room lathe. Serial #C-6309-R. \$1200.

12 x 24-in. Craftsman bench lathe. Serial 12L-036679. \$225.

10 x 3 1/2-in. Model A South Bend bench lathe. Serial 2623KAR7. \$275.

2-spindle Walker-Turner 1216-22 drillpress. \$275.

#22 Buffalo SS upright floor-type drillpress. \$375.

3 E.F.I. SS high-speed sensitive drills. Serial 216—\$300. #209—\$300. #194—\$375.

24-in. Cincinnati standard universal shaper, V-ram, 8 cutting speeds. Serial #17175. \$2850.

14-in. Doerfflinger universal tool-room shaper, V-ram, 6 cutting speeds. Serial #1224. \$850.

#21 Brown & Sharpe surface grinder with permanent magnetic chuck. Serial 523-2-546. \$1750.

#1 Taft Peirce precision surface grinder, Ex-Cell-O spindle, magnetic chuck. \$900.

2 #612 Boyar Schultz surface grinders, permanent magnetic chucks. Serials 9607, 10438. \$850 each.

Model J Superior hone with 1/3 hp head. Serial #40-5207. \$450.

Auction held December 10 at R. W. Kaltenbach Corp., Cleveland. Auctioneer: Samuel Winternitz & Co. 5-in. Bullard horizontal boring mill, 72-in. horiz. spindle travel, 62-in. vertical travel of head, 24 spindle speeds, new in 1953. \$42,000.

6-ft. Colburn vertical boring mill, 2 universal heads, 74-in. swing, 68-in. power feed to both heads (poor condition). \$4500.

4 x 16-ft. double-housing Gray planer (old). \$450.

24-in. Stockbridge shaper. Circa 1882. \$450.

5-ft. 13-in. American Hole Wizard radial drill (1950). \$11,500.

Cincinnati 24-in. drillpress (old). \$350.

36-in. Bullard vertical turret lathe, 4-jaw 34-in. table, 12 table speeds to 84 rpm. Circa 1942. \$4850.

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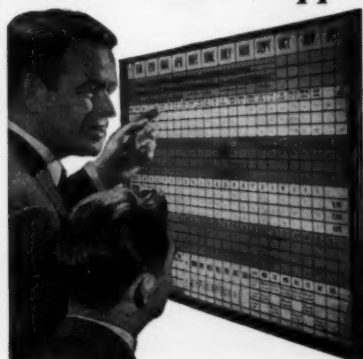
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This Changing Purchasing Profession . . .

W. O. Buehler has been assigned the new post of superintendent of purchase contracts by **United Air Lines**, Chicago. He had been superintendent of system purchasing.



W. O. BUEHLER



J. J. RICH

John J. Rich has joined **American Standard Industrial Div., American Radiator & Standard Sanitary Corp.**, as purchasing agent for the Dearborn, Mich.,

plant. He had been materials manager with **Thompson Ramo Wooldridge**, Cleveland.

Container Div. Names Crockett Head of Purchasing Department

New York—A reorganization of International Paper Co.'s purchasing department has resulted in **Robert E. Crockett** assuming responsibility for the purchasing activities of the Container Div. He also continues as purchasing agent for the Northern Div. mills and for Bagpak and Single Service Div.

David L. George, formerly purchasing agent of the Container Div., has been promoted to assistant division purchasing agent with responsibilities in all the above areas. He will report to Crockett.

William F. Whitman has been advanced from senior buyer to assistant division purchasing agent.

Warren R. Barton has been made manager of the material and production control department, **Consolidated Vacuum Corp.**, Rochester, N. Y. He had served as purchasing agent for the firm the past six years.



W. R. BARTON



L. R. DULANEY, JR.

Leon R. Dulaney, Jr., formerly traffic manager, has been appointed purchasing agent for **Quick Mfg., Inc.**, Springfield, Ohio.

A. M. Eggeman has joined **Witco Chemical Co., Inc.**, New York, as assistant director of purchases. Formerly with **Rexall Drug Co.**, Eggeman is second vice chairman of the Chemical Buyers Group of the NAPA.

John W. Livermore has been appointed purchasing agent for the Distribution Transformer Department, **General Electric Co.**, Pittsfield, Mass.

Lee Albright has been made assistant director of purchasing, **Chun King Enterprises**, Duluth, Minn.

Les Brettman, former purchasing administration manager, **Motorola, Inc.**, Chicago, has been named operations planning manager.

Peter A. Tullio has been named director of purchases for **Interstate Vending Co.**, Chicago. He was general manager and assistant secretary for **Federated Vendors, Inc.**, Chicago, and purchasing agent and assistant divisional manager for **Union News Co.**'s Midwest division.

L. P. Miller has been appointed vice president-purchasing for **Enterprise Mfg. Co.**, Akron, Ohio.

STRAITS TIN REPORT

News of developments in the production and uses of tin



Nontoxic, inert, malleable — all three are descriptive of tin. One of man's oldest metals, it is still vital in our modern economy. For example —

For product protection, 60.7% of all tin consumed in the U.S. is used in manufacturing tinplate, largely for containers. 135 industries package a total of over 2500 products in more than 42 billion cans annually!

For joining and sealing, 14.8% of all tin used is in alloy with lead to form solder.

For strength and corrosion resistance, 6.5% is consumed in the tin-copper alloy, bronze.

For anti-friction properties, 4.1% is consumed in the high-tin/lead alloy, babbitt, generic for bearing metals.

For protective coatings, tinning accounts for 3.9%. Hot-dipped tin provides a smooth, reflecting surface, particularly adaptable for food processing equipment.

For castability, white metal — alloys of tin, antimony, lead, bismuth, and copper — account for 3.2% of U.S. tin consumption.

Miscellaneous alloys use 4.2%; chemicals, 1.1%; and collapsible tubes, 1.5%.

There's no substitute for tin . . . and no substitute for Straits Tin from Malaya — recognized standard for quality and uniformity, available in reliable supply from sizeable reserves.



Write today for more data on these items or for a free subscription to **TIN NEWS**—a monthly bulletin on tin supply, prices and new uses.

The Malayan Tin Bureau
Dept. 50A, 2000 K Street, N.W., Washington 6, D.C.

MEETINGS

First Listing

Society of Automotive Engineers—Annual Meeting and Engineering Display, Sheraton-Cadillac and Statler Hilton Hotels, Detroit, Jan. 11-15.

Northwest Petroleum Association—Annual Meeting and Trade Show, Nicollet Hotel, Minneapolis, Minn., Jan. 20-21.

National Automobile Dealers Association—Equipment Exhibition, Shoreham Hotel, Washington, D. C., Jan. 30-Feb. 3.

Southwest Heating and Air Conditioning Exposition—Memorial Auditorium, Dallas, Tex., Feb. 1-4.

Purchasing Agents Association of Alabama—13th Annual Seller-Buyer Dinner, Birmingham Municipal Auditorium, Birmingham, Ala., Feb. 11.

Previously Listed

JANUARY

Purchasing Agents' Association of Florida—6th Annual Buyer-Seller Meeting, Mayflower Hotel, Jacksonville, Fla., Jan. 14-16.

Institute of Surplus Dealers—10th Annual Trade Show & Convention, Trade Show Building, New York, Jan. 24-26.

11th Plant Maintenance & Engineering Show and Conference—Convention Hall, Philadelphia, Jan. 25-28.

Chemical Buyers' Group, NAPA—Mid-Winter Conference, (Mid-Western & Western Division), Hotel Congress, Chicago, Ill., Jan. 27-28.

Newspaper Purchasing Executives Conference—Netherland-Hilton Hotel, Cincinnati, Ohio, Jan. 29-30.

National Association of Purchasing Agents—Public Utility Buyers Group, Mid-Winter Meeting, Atlanta-Biltmore Hotel, Atlanta, Ga., Jan. 31-Feb. 5.

FEBRUARY

Instrument Society of America—Instrument-Automation Conference & Exhibit, Houston Coliseum, Houston, Tex., Feb. 1-5.

Chemical Buyers' Group, NAPA—Mid-Winter Conference, (Eastern Division), Hotel Commodore, New York, Feb. 3-4.

Wisconsin Petroleum Association—34th Annual Convention & Exhibit, Schroeder Hotel, Milwaukee, Feb. 24-25.

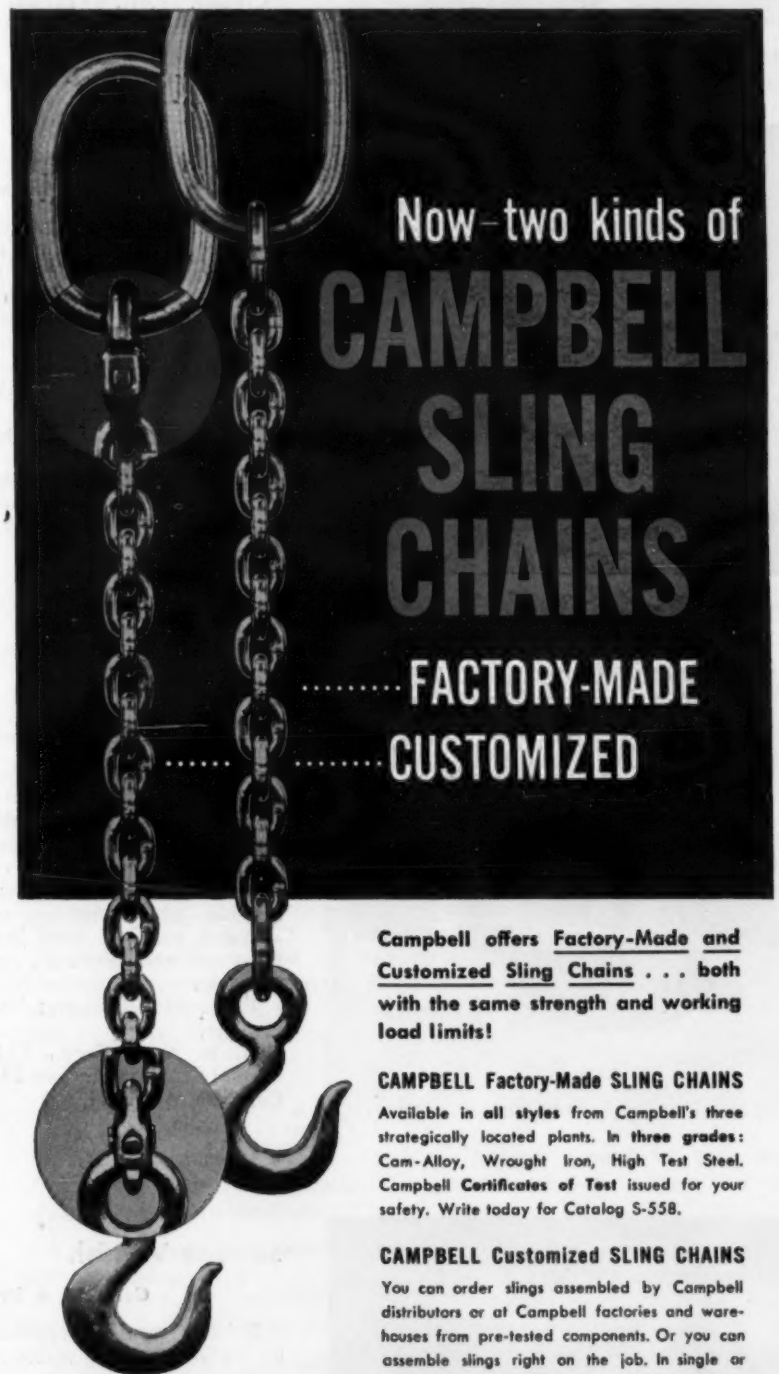
MARCH

American Society of Mechanical Engineers—Gas Turbine Power Conference & Exhibit, Rice Hotel, Houston, Tex., March 6-9.

Illinois Petroleum Marketers Association—Products and Equipment Show, Morrison Hotel, Chicago, March 8-9.

Institution Feed and Supply Show—Trade Show Building, New York, March 21-24.

Greater New York Safety Council—30th Annual Safety Convention and Exposition, Hotel Statler-Hilton, New York, March 28-April 1.



Now—two kinds of
CAMPBELL SLING CHAINS
.....**FACTORY-MADE**
.....**CUSTOMIZED**

Campbell offers Factory-Made and Customized Sling Chains . . . both with the same strength and working load limits!

CAMPBELL Factory-Made SLING CHAINS

Available in all styles from Campbell's three strategically located plants. In three grades: Cam-Alloy, Wrought Iron, High Test Steel. Campbell Certificates of Test issued for your safety. Write today for Catalog S-558.

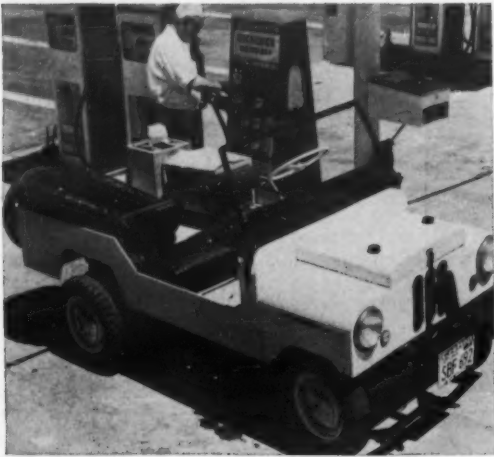
CAMPBELL Customized SLING CHAINS

You can order slings assembled by Campbell distributors or at Campbell factories and warehouses from pre-tested components. Or you can assemble slings right on the job. In single or double types, Alloy grade. Certificates of Test issued for complete assemblies or components. Write today for Catalog CSA-1.

CAMPBELL CHAIN

CAMPBELL CHAIN Company

FACTORIES: York, Pa.; West Burlington, Iowa; Alvarado, Calif.
WAREHOUSES: E. Cambridge, Mass.; Seattle, Wash.; Portland, Ore.; Atlanta, Ga.; Dallas, Texas; Chicago, Ill.; Los Angeles, Calif.



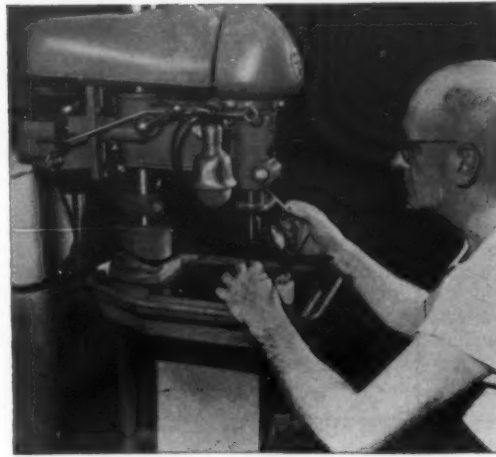
Utility Car

Operates in Tight Spots

Jeep-like car, 8 $\frac{3}{4}$ x 4 ft., uses 35 hp. gasoline engine with 3-speed transmission to haul $\frac{1}{2}$ -ton payload for maintenance personnel. Weight (1,100 lb.) and dimensions permit it to operate in restricted area. It has over-size frame, clutch, and rear axle.

Price: \$1,350. Delivery: 60 days.

Crofton Marine Engine Co., 888 Gull St., San Diego 1, Calif. (P.W., 1/11/60)



Drill Press

For Small Holes

For sensitive, small hole drilling, 14-in. drill press runs at up to 12,000 rpm with $\frac{1}{4}$ -in. key chuck. Recommended for precious metals, phenolics, and non-ferrous metals. Drill breakage is reduced by counter-balanced quill.

Price: \$249 to \$287 (single spindle). Delivery: immediate.

Rockwell Mfg. Co., Dept. 1012, 400 N. Lexington Ave., Pittsburgh, Pa. (P.W., 1/11/60)



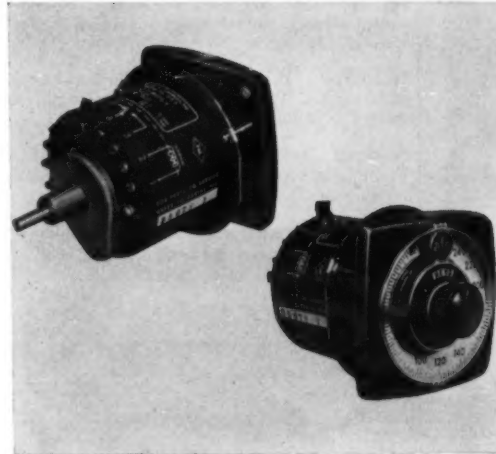
Switch

Is Light-Actuated

Small, 1 $\frac{1}{4}$ -in. dia. switch turns lighting fixture on at 1 ft-c and off at 10 ft-c. It is not affected by weather or temperature, and has built-in time delay to prevent activation by temporary light flash. It is adaptable to most fixtures.

Price: \$15 to \$17. Delivery: immediate.

Schacht Electronic Mfg. Co., 1213 St. Emanuel, Houston 3, Texas. (P.W., 1/11/60)

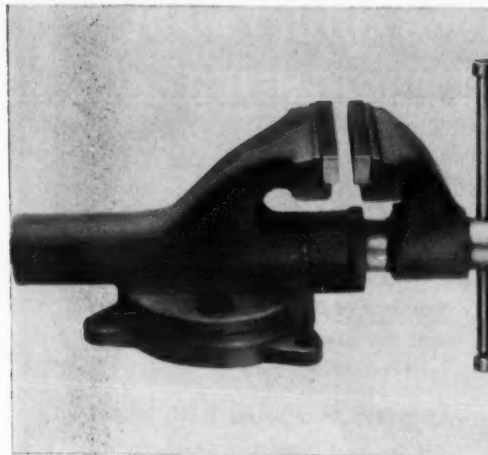


Counter

Trips Control Contacts

Shaft-driven revolution counter is set for repeated control contact tripping. It has 11 dial ranges from 0-12 to 240,000 revolutions with red pointer to indicate cycle progress of machine or system. Used for product measurement, counting, and feeding, it requires only 1 $\frac{1}{4}$ oz-in. torque.

Price: \$66. Delivery: 3 wk. Automatic Timing & Controls, Inc., King of Prussia, Pa. (P.W., 1/11/60)



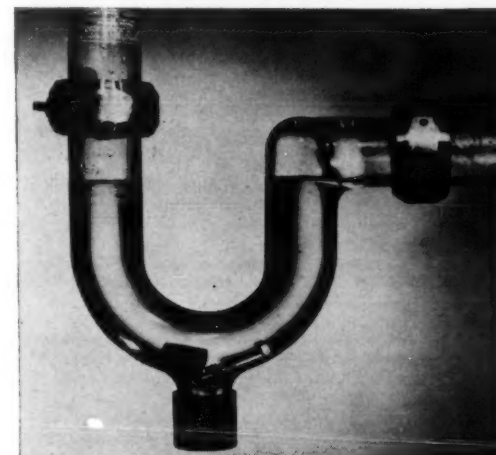
Bench Vise

Easy to Lock

Movable jaw slides against work piece with 60 deg. turn of handle and locks immediately. Jaws, 4 $\frac{3}{8}$ -in. wide, have maximum opening of 5 $\frac{1}{2}$ in. Handle is easily accessible when vise is in swiveled position. Steel jaw faces and main shaft are removable.

Price: \$36. Delivery: immediate.

B. K. Kran Corp., 112 Market St., San Francisco 11, Calif. (P.W., 1/11/60)



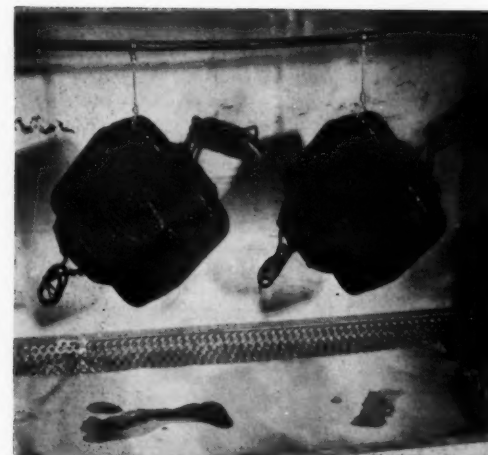
Glass Drainline

Corrosion Resistant

Hard, low expansion borosilicate glass in 5 and 10 ft. lengths resists most chemical wastes and is guaranteed for lifetime of installation. Pipe diameters from 1 $\frac{1}{2}$ to 6 in. withstand 15 psig and 250 F. Trap section (photo) has removable cap for cleaning drain.

Price: \$2 to \$8.80 per ft. Delivery: immediate.

Corning Glass Works, Corning, N. Y. (P.W., 1/11/60)



Silicone Varnish

Cures in 6 Hr.

Silicone varnish, supplied as 60% solids in alcohol, cures at 150 C in 6 hr., 50 deg. lower than organic varnish. It meets requirements of 220 C systems, such as transformer components and other electronic devices. Unit on right was impregnated with silicone varnish.

Price: \$18.90 gal. Delivery: immediate-10 days.

Dow Corning Corp., Midland, Mich. (P.W., 1/11/60)



Line Marker

Feeds by Gravity

Paint feeds from 3 or 6-gal. container by gravity and is applied by all-metal applicator in widths from 1 to 8 in. Applicator is on outside to permit painting close to piled material in stock rooms or loading platforms.

Price: \$79 to \$109. Delivery: immediate.

Albert W. Pendergast Safety Equipment Co., 6913 Tulip St., Phila. 35, Pa. (P.W., 1/11/60)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Flaw Alarm

Alerts Operator

Attached to ultrasonic unit, alarm actuates recorders and warning devices when test signal reaches preset limits. Time gate is adjustable to position, length, and duration. Alarm allows operator to concentrate attention on product, not cathode ray screen.

Price: \$225 to \$475. Delivery: immediate.

Branson Instruments, Inc., 40 Brown House Rd., Stamford, Conn. (P.W., 1/11/60)



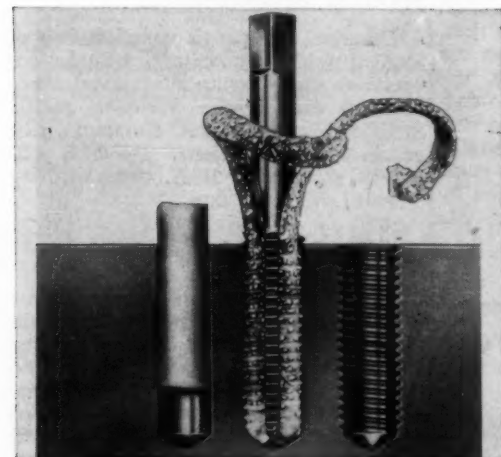
Open-End Wrench

Has Ratchet Action

Ratchet action is provided by spring-loaded pawl inserted into one side of open end. Shape of pawl, and way it is spring-loaded permits wrenches ($\frac{7}{8}$ to $\frac{3}{4}$ in.) to ratchet without being removed from the nut. It grips only flat surface on 3 sides.

Price: \$19.98 (Set of 5). Delivery: immediate.

Royal Tools, Inc., 449 York St., Hanover, Pa. (P.W., 1/11/60)



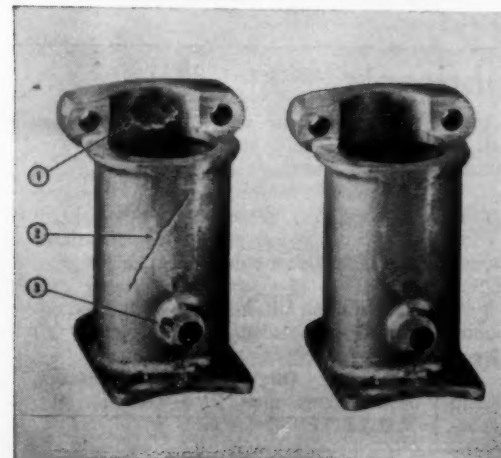
Tap Cartridge

Wax Removes Chips

Wax pellet, $\frac{1}{4}$ x $\frac{1}{2}$ in., acts as tapping agent in drilled hole to remove chips from threads. Wax carries chips along and out the flutes. When the tap is removed, chips at bottom of hole go with it. Use of cartridge reduces rejects due to torn threads.

Price: \$4.50 per 1,000. Delivery: immediate.

Tap Cartridge Co., P. O. Box 1017, Cincinnati 1, Ohio. (P.W. 1/11/60)



Sealer-Filler

Repairs Parts

Casting ordinarily rejected for blow hole, fatigue crack, and broken shoulder (left) is repaired by plastic sealer-filler. Used in place of cold solder, plastic repairs are permanent, will not rust, disintegrate, or corrode. Plastic can be finished like metal.

Price: \$16.95 per gal. Delivery: immediate.

Fybrglas Industries, Inc., 3010 Montrose Ave., Chicago, Ill. (P.W. 1/11/60)

This Week's

Product Perspective

JANUARY 11-17

• All signs point to a bright future for plastic-coated metals.

More and more metal items—appliances, TV cabinets, luggage—are heading for the assembly line instead of the painting booth as they come from fabrication. Unlike other metal finishing processes which form the part first, and then coat it, plastic-coated metals are coated first, then formed.

More than 30 million sq ft of vinyl-coated metal sheets and coils were produced in '58 and a 66% increase to 50 million is expected in 1960. More than a billion sq ft of enameled steel is consumed annually, and coated metal proponents see no reason why they can't capture a substantial part of the market.

And other plastics besides vinyl are being used. National Steel created a lot of industry excitement recently with the introduction of a steel coated with a polyester plastic film.

• Coated metals can eliminate the need for processing and finishing equipment such as drying ovens, painting lines, and ventilation systems. An added benefit is lowered insurance cost. In-plant finishing operations always are big premium builders. Any plant that can eliminate cleaning and painting equipment should realize sizable savings.

Coatings may be any color or design, and simulated wood grains can be incorporated into the finish. In addition, they have good chemical resistance, adequate heat-insulating and noise-reducing characteristics, and are easy to clean. Coating thicknesses can be varied to meet individual requirements.

Coated metal can be sheared, slit, punched, lock seamed, stamped, drawn, or roll-formed without damage to the coating. In most cases, parts can be fabricated with the same tooling setups used for uncoated metals. Moreover, dies used with coated metals will sometimes last longer because the coating acts as a cushion between the metal and the die.

Here are some of the end product uses now in the manufacturing or planning stage:

Appliances (refrigerators, kitchen cabinets, TV, radio)—furniture (hospital, home and office)—hi-fi and stereo home music components—tape recorders—cameras—slide and movie projectors—household accessories (waste baskets, bread boxes, food trays)—metal tubing—headlinings and luggage racks for buses—automotive instrument panels—luggage—air conditioning units—business machines—bathroom shower enclosures—interior paneling—building siding—telephones—toys.

Needless to say, the big steel companies are 100% behind the coated metal movement. They count heavily on coated sheet to help the metal in its battle with plastic makers.

Coatings aren't confined to steel. Vinyl-coated aluminum sidings for construction purposes are among the most exciting of the prospects. Both sides are coated with a 1 to 20 mil thickness before the siding or awnings are fabricated. An aluminum boat with a vinyl clad deck is also under construction.

Unlike conventional coatings, which are applied in much the same way as a regular paint, most coatings for post-formed parts (pieces that are fabricated from an already coated metal) are applied by a film method.

A vinyl-coated film is attached to a flat metal sheet by special adhesives, plus heat and pressure. A thin layer of adhesive is applied to a metal panel or coil stock as it unrolls and the film is smoothed on immediately. After the bond is fully cured, the laminate is ready for manufacture.

National Steel's Enamelstrip Corp. recently announced it could supply continuous coils of polyester-coated strip steel in widths up to 48 in. National now expects to move into the home appliance field—which was previously closed to it because the coated-strip wasn't wide enough to meet industry requirements.

The National process differs from conventional vinyl coating in its use of unbacked and clear plastic. The pigment is added to the adhesive which fuses (rather than bonds) the plastic to the steel. National developed a special family of adhesives which would take pigments in order to use the process. Prior to this development, the plastic material had never been applied to steel in coil form, nor had it been applied as a base coat without need for additional adhesives.

Your Guide to New Products

(Continued from page 17)



Hydraulic Adjuster

Aligns Conveyor Belt

Adjusting device utilizes hydraulic pressure instead of screw take-ups to position conveyor pulley. Consisting of hydraulic cylinder attached to bearing housing, piston is moved by ordinary grease gun pressure (see photo). Unit is adaptable to remote control.

Price: \$72. Delivery: immediate.

Western Conveyor Co., P.O. Box 357, Boise, Id. (P.W., 1/11/60)



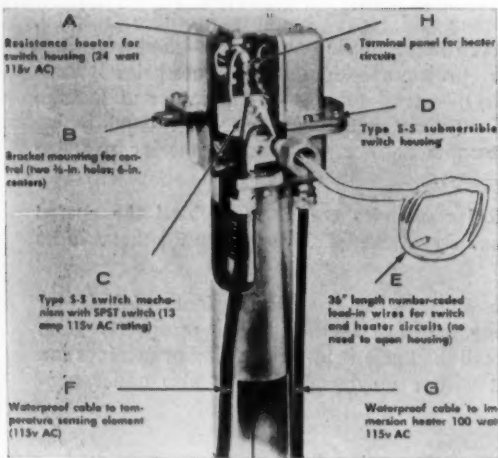
Shaded-Pole Motor

Permanently Lubricated

Palm-sized motor, 2.2-in. wide and 2.66-in. high, is designed for small fractional hp applications where long life without maintenance is required. Permanently lubricated, 33-frame size motors are rated for 1 to 20 millihp, 3000 rpm, open or enclosed service.

Price: \$2.25. Delivery: immediate.

General Electric Co., Schenectady 5, N. Y. (P.W., 1/11/60)



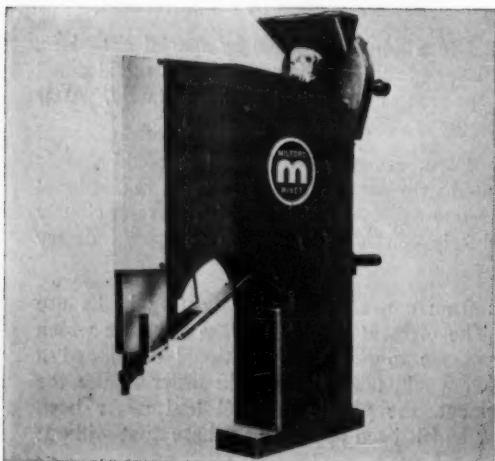
Level Control

Not Affected by Ice

Thermoswitch supplies current to immersion heater in liquid level control when 35 F temperature is reached in outdoor water tank. Ice may form in tank, but control unit continues to follow true water level. Package unit is installed by means of bracket mounting.

Price: \$190. Delivery: 3-5 wk.

Magnetrol, Inc., 2110 S. Marshall Blvd., Chicago 23, Ill. (P.W., 1/11/60)



Pneumatic Riveter

Sets Rivet Clusters

Model sets semi-tubular, tubular, orbifurcated rivets with dia. of 1/8 in. and 1/4 in. and lengths from 1/8 to 1 in. Heads can be grouped on a single base adaptable to automatic cycling. With adjustable stroke speed, unit requires 60 to 150 psi.

Price: \$1,020. Delivery: 4-6 wk.

Milford Rivet & Machine Co., 1000 Bridgeport Ave., Milford, Conn. (P.W., 1/11/60)

New Books

Epoxy Resin: Market Survey and Users Reference—Materials Research, Box 363, Cambridge 39, Mass. Price: \$18.50.

This report, first of its kind on epoxy resins, is based on a survey of 1,000 companies manufacturing, selling, or using epoxies. Eighteen separate chapters, each devoted to use and cost experience in a particular industry, will acquaint non-users with the possibilities offered by epoxies.

To make this report doubly useful to businessmen making and selling epoxies, a thorough market analysis is presented. Recent statements that epoxy capacity has greatly outrun demand are verified, and new areas such as pipe, highways, flooring, and boats are pointed out as those that will bring consumption to 90-million lb. by 1963. A Users Reference section provides a handy tool for readers who want to obtain a working knowledge of epoxy and related terms.

Compilation of ASTM Standards on Textile Materials—Published by American Society for Testing Materials, 1916 Race St., Philadelphia 3, Pa. 924 pages. Price: \$8.50.

ASTM standards on textile materials provide testing methods, tolerances which textiles must come within to constitute good delivery on contract, and specification requirements of importance.

The 1959 edition contains 134 standards developed by Committee D-13. Included are definitions, specifications for testing machines, methods for humidity testing, sampling, and resistance to insect pests and micro-organisms. Standards for fabrics, hosiery, tire cord, asbestos textiles, bast and leaf fiber textiles are just a few of the many covered.

Aids to Purchasing

1960 Tire Guide

This guide will interest automotive jobbers, manufacturers, fleet owners and all those engaged in buying and selling tires. Guide gives listings for all passenger car models (1946-1960)—year, make, tire size, inflation. Included are tire manufacturers' up-to-date price lists on popular passenger tires, tubes, retreading, and discount tables. Copies of the 80-page guide are \$2.00 each and can be obtained by writing to the Elgar Co., 2 E. 23rd St., New York 10, N. Y.

From the Manufacturers

Glove Selector

Selector guide aides in getting right glove for hand protection from chemicals, worker fatigue, abrasion resistance, temperatures, etc. A job condition check list

Profitable Reading

helps determine which of the 57 glove models is best suited for a particular situation. A performance data chart tells how the glove materials reacted when tested in different chemicals. *The Pioneer Rubber Co.*, 296 Tiffin Rd., Willard, Ohio.

Die Cushions

Describes company's line of pneumatic, hydro-pneumatic and hydraulic die cushions. Gives size and capacity data plus information on typical die cushion selection, arrangements, and applications. Catalog DC-59 (16 pages). *Verson All-steel Press Co.*, 9300 S. Kenwood Ave., Chicago 19, Ill.

Worm Gearing

Discusses single-reduction worm gear speed reducers with a new high-load-capacity. Includes data on features of company's reducers, standard specifications, hp and torque ratings, and axial load dimensions. Types covered for bottom drive, top drive, and vertical mounting are available in 5 through 12-in. centers. Catalog 3805 (32 pages). *De Laval Steam Turbine Co.*, Trenton, N. J.

Plant Layout Models

Use of models in plant layout work and the resulting savings are covered here. All phases of the model design and construction are discussed, including information on how to estimate the cost of the model. *Visual Plant Layouts, Inc.*, Pennsylvania Ave. at River, Oakmont, Pa.

Time Chart

Helps employees understand time records that measure time in tenths and hundredths of an hour. For instance, chart shows .16 decimal hours is equivalent to 10 minutes. Decimal equivalents for every minute are given. *Cincinnati Time Recorder Co.*, 1733 Central Ave., Cincinnati 14, Ohio.

Welding Equipment

Describes company's complete line of manual welding equipment. Includes accessories and ordering information available for each torch. Weldable metals include titanium, nickel, aluminum, silicon-bronze and others. F-8982E (20 pages), *Linde Co.*, 30 E. 42nd St., New York 17, N. Y.

Air Hydraulic Drill

Gives information on company's new Model 17-400 air hydraulic drill unit. Drill features minimum of moving parts, built-in air filter of sintered bronze, and "unitized" construction with all parts enclosed in a single casting. Data includes advantages of unit, design details, and specifications. (6 pages). *Hartford Special Machinery Co.*, 287 Homestead Ave., Hartford 12, Conn.

Purchasing Week Definition

Lubricants

Lubricant: Fluid, semi-fluid, or solid material placed between moving parts to reduce friction, rust, or serve as cutting compound.

Grease: Usually a compound of mineral oil in solid or semi-fluid form combined with a soap to lubricate slow speed machinery which could not retain a free flowing oil.

Soap: Animal, vegetable, or mineral oils which waterproof grease, or give it additional stiffness.

Sett Greases: Mixtures of calcium soaps of rosin acids with various grades

of mineral oils which lubricate heavy gears, or grease skidways.

Oils: Distillates of petroleum graded according to molecular weight. Based on their viscosity (resistance to flow) oils fit following general purpose specifications:

● **Light Oil:** motors, locks, hinges, pins, etc. (10 to 15 viscosity).

● **Medium Oil:** internal combustion engines, lathe, and drill press spindles (20 to 30 viscosity).

● **Heavy Oil:** turbine compressors, transmissions, etc. (50 to 75 viscosity). (P.W., 1/11/60)

Tape Recorder

Bulletin 1576. Describes company's magnetic tape recorder reproducer. System accommodates seven different types of record and reproduce amplifiers for Analog, FM or PDM operation. Gives physical description, operating features, block diagrams, etc. *Consolidated Electrodynamics Corp.*, 360 Sierra Madre Villa, Pasadena, Calif.

Sleeve Clutches

Bulletin 58N (28 pages) Discusses Niagara's line of series A inclinable presses, featuring the multi-point mechanical sleeve clutch. Includes standard and optional features, specifications, die space dimensions, strokes, and shut heights. *Niagara Machine & Tool Works*, Buffalo 11, N. Y.

Boxes

Discusses company's product boxes. Includes chemical resistance data chart, standard size boxes and dividers available. These boxes are resistant to fire, impact, oils, chemicals, etc. Are said to be ideal for food handling. *Panel Controls Div., Export Corp.*, 13310 Foley Ave., Detroit 27, Mich.

Radiochemical Compounds

"Schedule E." Discusses radiation sources, radioactive compounds, radio-activity standards, and radiation source kits. Includes price and delivery information on hundreds of carbon-14, sulfur-35, and phosphorus-32 labelled compounds. *Nuclear-Chicago Corp.*, Des Plaines, Ill.

Mineral Products

(8 pages.) Describes company's complete line of mineral products, giving physical and chemical characteristics of the various grades in tabular form. Also lists names and addresses of the company's 35 distributors. *Minerals & Chemicals Corp. of*

America, Essex Turnpike, Menlo Park, N. J.

Transistors

Covers company's line of high-voltage NPN and PNP germanium alloy junction transistors. Line is recommended where large dynamic range and large voltage swings are required. Lists specifications, application circuitry and graphs (8 pages). Brochure G-210. *General Transistor Corp.*, 91-27 138th Place Jamaica 35, N. Y.

Auto Lamp Chart

1960 auto lamp chart lists all car models on which GE suburban headlamps can be used. *Miniature Lamp Dept., General Electric Co.*, Nela Park, Cleveland 12, Ohio.

Soldering Supplies

Gives descriptions of company's fluxes and solders. Includes stainless steel, aluminum, paste solders, tinning compounds, silver brazing fluxes, and soldering accessories (10 pages). Catalog C-1. *Johnson Mfg. Co., Inc.*, Mount Vernon, Iowa.

Re-Usable Batteries

Describes company's silver-zinc battery system giving electrical and physical characteristics, application data, and comparing performance with other battery systems. *Yardney Electric Corp.*, 40-50 Leonard St., New York 13, N. Y.

Heating Coils

Gives data on standard steam, hot water, steam distributing and double distributing coils. Includes air friction charts, temperature-rise charts for pressures from 2 lb to 30 lb steam, water velocity and pressure drop graphs, net weights of various coil sizes, and architectural specifications. Bulletin N. HC-102 (32 pages). *Dept. PD, American Air Filter Co., Inc.*, 215 Central Ave., Louisville 8, Ky.

GE Has A-C Drive with Less Moving Parts

Erie, Pa.—General Electric Co. has just announced a new line of a-c adjustable-speed drives, available in ratings from 3 through 100 hp.

Uses Eddy-Current Principle

The new drive, called Kinatrol, uses an eddy-current principle to control the speed electrically. Offered as a complete package, it includes the drive unit, control enclosure, and operator's control station. Ratings through 20 hp are capable of continuous operation down to 100 rpm at rated torque, providing a speed range of about 17 to 1 in normal operation.

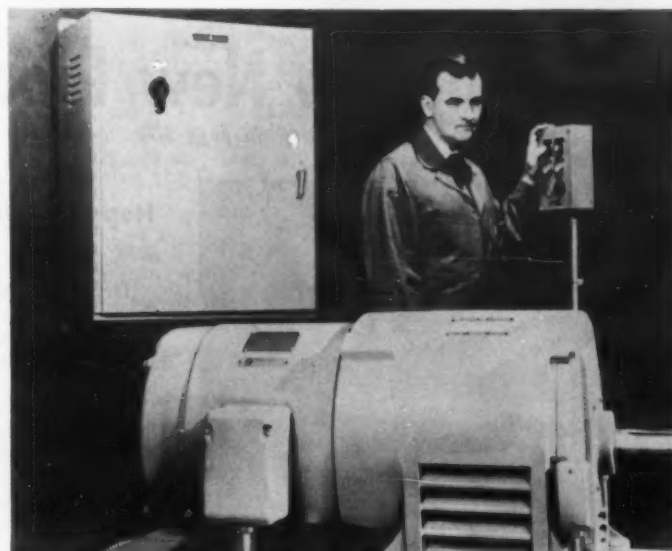
The Kinatrol line is engineered for a broad range of industrial applications. GE says the simplified design with fewer moving parts will mean longer life and less maintenance for the drive.

Close Speed Regulation

The automatic control provides close speed regulation and can hold the drive to 2% of full speed on a typical friction-type load with standard equipment.

Control enclosure for the drives includes an exciter-regulator (electronic or amplistat) for coupling control, and may also include an a-c motor starter and short circuit protection. Wiring is on the front of the board for easy accessibility and enclosure mounting versatility.

The five hp package sells for about \$1,400 with all models available for immediate delivery. The Kinatrol series rounds out GE's line of adjustable speed drives.



NEW GE DRIVE includes drive unit (foreground), enclosure control (upper left) and operator's control station. Unit comes as a package.

NOW—Let GEORGE ALJIAN

help you with these . . .

Tested practices and operations for every phase of the PURCHASING FUNCTION

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Your Guide to New Products

(Continued from page 18)



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19, Pa. (P.W., 1/11/60)



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(P.W. 1/11/60)



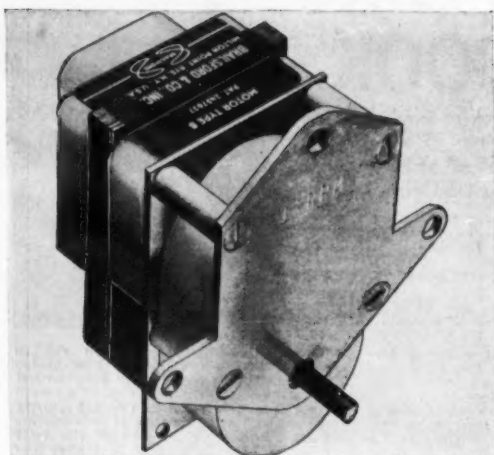
Carton Packer

Forms, Loads and Wraps

Packer glues and forms pocket-pack-size carton from blank, automatically collates and loads product, closes carton and overwraps in cellophane with opener tape. Up to 75 packs per min. can be sealed by the fast setting adhesive.

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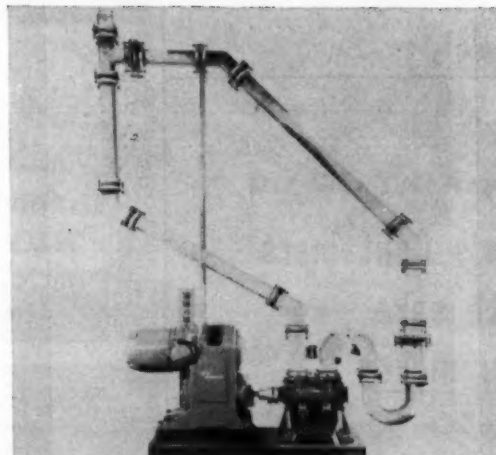
Instrument Motor

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Motor has neither revolving windings nor sliding commutator. Integral reduction gear assembly provides output speeds for telemetering, and other electro-mechanical devices. Wound for 3, 6, 12, or 24 v dc, it has load current of 10 ma at 6 v.

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Brailsford & Co., Inc.,
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Photo shows variable speed unit pumping 200 gpm through 15-ft. loop of 3-in. glass pipe. Positive displacement pump has pulseless, nonfoaming action at speeds from 500 to 3,400 rpm with reversing rotation.

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Millers Falls Co., Greenfield, Mass. (P.W., 1/11/60)



Pail

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Continental Can Co., 100 E. 42nd St., N. Y. 17, N. Y.
(1/11/60)

Purchasing Perspective

JAN. 11-17

(Continued from page 1)

probably will go easy in boosting its general price levels, the pattern-setting effects of the 40¢-plus package will prove costly by pyramiding in other materials prices and labor negotiations.

But you can get an argument on that point, too. The Steelworkers union estimates its winnings at about dollar-for-dollar with the previous Kaiser contract and also about the same as the pacts negotiated with can, aluminum, and copper producers—although the contract lengths and terms do not exactly parallel.

The steel industry, on the other hand, contends that if it applied the Kaiser settlement to all producers the cost would be about 30% higher than last week's general agreement.

In fact, the steel settlement produced no bold innovation, no great breakthrough in wages or elsewhere (except perhaps the lump sum payment of about \$1,500 on retirement). **The industry's total defeat on the work rules issue naturally knocks railroad negotiators off base, but there's still hope even that crisis can be worked out without a strike this spring.**

The Administration leaders who laid down the settlement terms to both sides in steel are counting on the steel plan to set the 1960 wage line without significant deviation even in such key talks as electrical industry, aircraft, and ship-building.

Big selling point of the steel contract is that it removes a major uncertainty facing the economy. Business can now proceed into what is generally considered will be its best year in history with assurance that steel will keep flowing.

BUYING NOTES—Machine tool builders are looking for an influx of new orders now that steel uncertainty has been removed. The strike slowed ordering in this capital goods industry. . . . Annual show managers in some industries are pushing strategy of shifting show sites on regional basis to attract more buyer interest—rather than returning year after year to same metropolitan center. Material Handling Institute, for instance, will sponsor four to six regional shows in 1960 and 1961 to cover New England (Boston), the Central states (Louisville), Pacific Coast (San Francisco), and the East (Philadelphia).

PERSONAL—Product Engineering, McGraw-Hill's design and R & D weekly, provides this TV tip—houses aren't antennas.

The product in question is a device that's advertised as the solution to all antenna problems—merely by plugging it into your housewiring. The Better Business Bureau, says Product Engineering, is not quite so optimistic as the ads because most house wiring is grounded and electrically shielded against signal pickup.

Car Textile Prices Go Up Feb. 1

Detroit—Prices of automotive textiles will jump 5% on Feb. 1. The move was described by one textile executive as "a whiplash effect of the steel settlement."

The increase will bring industrial fabrics prices into line with the rest of the textile market, he said.

"We've already raised prices on everything else," declared another textile man, "but it wouldn't have been propitious to boost prices on auto fabrics before the steel settlement."

"A price rise is definitely overdue," said Ray Forsythe, of Gehringer & Forsythe, a leading sales agency of automotive textiles here.

"Prices of other textiles have continually gone upward," he said, "while automotive textiles have risen only 3% in over two years. I'd say a 5% rise is certain for Feb. 1."

The sales agency for a major weaver of heavy industrial fabrics echoed Forsythe's words. "We've already started quoting slightly higher prices for second quarter deliveries," he said.

Another selling agent estimated that wide twills, drills, and sateens, which are sold to dis-

tributors, who in turn supply the auto industry, would go up "at least 2¢/lb. for second quarter shipments." This would be the equivalent of a 5% hike.

Sales of automotive textiles, hard hit by slowdowns in the steel-starved auto industry, have rebounded over the past few weeks.

Chrysler Uses Piggyback To Ship Cars Westward

Detroit—Chrysler Corp. has jumped on a transcontinental piggyback line for transport of passenger cars from its plants here to the Northwest.

The auto maker said it plans "complete utilization" of this system in the future. The company, which has been shipping cars piggyback from its St. Louis assembly plant to the Southwest, recently sent 56 cars by automobile carriers via the Milwaukee Road from Chicago to Spokane, Wash.

Walter W. Kremer, vice president of the Milwaukee Road, estimated the piggyback operation would cut transit time from Detroit to Spokane by "an average of approximately 10 days."

Rails Bitter About Steel 'Peace'

(Continued from page 1)

unions would now stand firm on their demands, "and the Great White Father will step in and bail them out. But every time he does," the official declared, "he hurts the economy with another inflationary settlement."

"The Great White Father steps in and gets the peace all right—but at what price?"

Railroads face a \$750 million annual wage hike if current union demands are not scaled down—and the possibility of this is now deemed unlikely by railroad men because of the steel settlement.

Concessions Hurt Rails

"Every time steel makes concessions," remarked another rail spokesman, "a pattern is set and pressure is increased on the railroads and every other industry for higher wages."

On the question of raising rates to compensate for higher costs, he said, "We can't hike our freight rates to make up for wage increases like the steel industry raises prices. Our profit picture isn't the same as steel's. Every time we raise rates, we lose more business to other forms of transportation and go deeper into the red."

Many rail officials, discussing this problem, told PURCHASING WEEK that increased traffic and diversification were the only likely means of compensating for higher wage costs.

Compensator Wanted

"If the government is going to go around imposing high cost labor settlements," said a leading Eastern rail spokesman, "they've got to let us get into other, more profitable forms of transportation."

Two Western railroads are currently making a strong bid at diversification via a major test case now before the ICC in which they seek authority to buy a large inland barge line.

While many railroad men described the steel settlement as "a sell-out," "inflationary," and "government interference" all comments were not on the gloomy side. Carriers admit that peace in steel spells better business ahead.

• **Pennsylvania Railroad.** "Assuming a reasonable settlement

of the wage and work rule issues now pending between the railroads and their employees, I would estimate that in the first half of this year the railroads will carry some 5 to 7% more traffic than in the first half of 1959," president Allen J. Greenough said.

• **New York Central.** "We expect January to show an increase over January of last year. We expect the same for February," said a vice president.

• **Delaware, Lackawanna, and Western.** "The steel settlement probably means our business will go up now that we're assured of peace in the steel industry. It will certainly mean a better year for us than we had during the last six months of 1959," a spokesman said.

• **Western Trunk Line Committee.** "The steel settlement will

have a definite effect," said a committee spokesman. "We've been handling less and less steel during the strike, and, now, with peace in that industry assured, business should improve."

But on the point of steel's "sabotaging effects," loudest official reaction came from D. I. Mackie, chairman of the Eastern Railroads Presidents' Committee:

"The settlement is not going to be helpful to us," he told PURCHASING WEEK. "The wage increases are inflationary. We use a lot of steel and the higher costs will increase our costs of operations."

Mackie predicted the steel settlement "would not soften the unions up" in the rail contract negotiations currently under way in Chicago.

"But," he promised, "we won't cease and desist from our efforts to fight their inflationary demands. We don't scare easy."

ICC Asked to Rule Whether Rails Can Own Other Modes of Transport

Washington—Two large Western railroads have tossed a major test case into the lap of the Interstate Commerce Commission. Their aim is to get a decision, once and for all, as to whether one form of transportation can control another.

The Illinois Central Railroad Co. and the Southern Pacific Co. have applied to the Commission for authority to acquire the John I. Hay Co. Barge Line, one of the 10 largest inland barge firms in the country.

Against Tradition

Traditionally, the ICC has not allowed one mode of transportation to control another; that is, for a railroad to own a trucking company or barge line, where both are common carriers of freight. Railroads are allowed to own truck lines to provide supplemental freight service, but with operating restrictions.

What the rails are after now, however, is the right to own another type of transportation with no limitations on its service except those normally imposed on any carrier.

This is the first direct test of the National Transportation Act to date, and there is divided opinion among traffic experts as to whether the Commission could legally rule in favor of the railroads, even if they saw the justice of their case. While the rail application was filed several weeks ago, a decision is likely to be many months in the making according to most authorities.

Expect Strong Opposition

Strong opposition is expected from truckers and barge operators. If the joint rail maneuver is approved, shippers would be able to get through transportation, combining rail-water and truck-water service from Milwaukee, Chicago, and Gary, Ind., to New Orleans and the mouth of the Mississippi; and on the Gulf Intracoastal Waterway from New Orleans to Brownsville, Tex.

The Illinois Central and the Southern Pacific would buy the John I. Hay Co. for about \$9 million and continue the barge line as a separate corporation. Its present operating management would be retained.

Price Changes for Purchasing Agents

Item & Company	Amount of Change	New Price	Reason
INCREASES			
Kerosene, diesel, #2 fuel oil, East Coast, gal.	.005	....	seasonal
Marine diesel oil, lght. & hvy., Esso East Coast, bbl.	.21	....	seasonal
New Orleans, Baton Rouge, bbl.	.13	....	seasonal
Ammonia, anhyd., fertilizer grade, ton.	\$2.00	\$88.00	
Ammonium nitrate, ton.	\$1.00	\$68.00	
Aluminum windows, doors, 3 Miami cos.	10%	....	incr. costs
Aluminum mill prods., wire & cable, Mathsn., lb.	.008-.02	....	metal boost
Aluminum sheet, Olin Mathieson.	5%	....	metal boost
Gum turps., So., gal.	.01	.535	short supply
Chemical cotton pulp, 2 cos., ton.	\$10-\$16	....	incr. costs
Copra, Coast, ton.	\$7.50	\$245.00	
Fuel Oils, #4 & #5, East Coast, bbl.	.05	....	seasonal
N-Butyl Alcohol, synthetic, delivered, tanks, lb.	.005	.155	
Tin Salts, Stannous Oxide, 100-lb. drums, lb.	.05	\$1.671	
Stannous Sulfate, 100-lb. dms., lb.	.04	\$1.104	
REDUCTIONS			
Nylon hosiery yarn, monofilament, 15 den., DuPont, lb.	\$1.36	\$3.89	competition
Capacitors, 50 lilovar, G.E.	5%	....
Tung oil, impd., tanks, lb.	.0025	.22	
Aminopyrine, 100-lb. lots, lb.	.45	\$3.80	low demand
Furfuryl Alcohol, dms., cts., lb.	.01	.205	

First Signs of Steel Price Trend: Specialty Items and Extras Go Up

Nonferrous Metals Enjoy Own Resurgence as Demand Soars

(Continued from page 1)
however, say they'll be forced to absorb part or all of a price increase due to "competitive factors."

• **Stiffer Labor Demands:** Industry executives see labor using the steel pact as a "minimum" in 1960 bargaining. Many companies facing upcoming negotiations believe the wage pattern set by steel poses a bigger threat to their basic costs than a steel price increase.

• **Rising Nonferrous Metals Prices:** Renewed demand for copper, lead, zinc, and nickel already is evident due to the prospect of a long steel peace ahead. While prices are expected to advance in next few months, they will revert to present levels early in the third quarter.

• **Higher Tags on Foreign Steel:** Major steel importers say if U.S. steel prices rise, European export prices will probably rise in direct proportion—but still keeping foreign steel below U.S. cost levels. Dealers in Japanese steel indicate that with Japan being accused of dumping, "This might be a good chance to raise prices to combat these charges."

While business and industry officials and many of the nation's leading economists see "inflationary tendencies" in the long-awaited settlement, all are quick to point out the major immediate result of the Nixon-Mitchell proposed peace:

The major uncertainty facing the economy has been removed. Business can now proceed into what is generally expected to be its best year in history, with assurance that steel will keep flowing.

Still, the all-important price question has thrown a blanket of confusion over industry in general. Labor Secretary Mitchell and steel producers say flatly there will be no immediate rise in prices. But they did not rule out an upward push on "hidden" costs.

Hidden Costs Real

The hidden costs connected with steel buying, while not showing up as official rises in prices, are real nonetheless. And they are felt most acutely by purchasing agents. This is where the first rise will come, top industry and economic sources told PURCHASING WEEK.

On the question of across-the-board hikes, three factors tend to pinpoint the timing either just before or right after the Dec. 1, 1960, initial wage grant. These are:

1. Steel companies will dish out the first hard-money—7¢ per hour.

2. Producers will be feeling the effects of higher material costs—part of the economic chain reaction set off by the settlement.

3. The Presidential election will have been history.

Just how much prices will be raised is still a big question. Some say it will come piecemeal—\$2.50 or so this year and \$1-\$1.25 next year. Others feel the producers will wrap up their added costs in one bundle. No matter how it comes, most

sources now predict the total increase will lie in the \$3-\$4 range, and nothing like the \$6 per ton hike following the previous steel contract negotiated in 1956.

This points up the fact that many top economists feel the settlement is not really inflationary as far as the steel industry is concerned. As a well-known bank economist told PURCHASING WEEK:

"Settlements over the past decade have been definitely on the inflationary side, but this one is only around 4%. The economy could withstand a 3% hike so this is not what you would call runaway inflation."

Definite 'Inflationary Tendencies'

He was quick to add, however, that the steel pact "definitely has inflationary tendencies as far as industry in general is concerned. It could pose pressure for higher wages in other areas that might certainly spell rebounding higher prices."

The majority of firms surveyed by PURCHASING WEEK on the effects on the steel settlement were quick to agree on this point.

Joseph Lanterman, president of American Steel Foundries, Chicago, fears that his own labor situation looming up may have a more powerful influence on prices than what the steel industry does price-wise.

His company expects to negotiate a new contract with the steelworkers in the next month or so, and while there are differences having to do with the local situation, "we have to admit the basic steel pattern will have a definite influence on our settlement."

Crane Co., large plumbing equipment firm, also in Chicago, is eyeing the near future in a similar way. The firm is currently negotiating a contract with the steelworkers. As basic steel sets the trend, labor costs in companies and industries similar to Crane may go up enough in the next few months to necessitate a price boost in advance of any steel hike.

A Springboard

The purchasing director for a large Syracuse firm puts it this way: "The generous wage grant offered by the steel industry will provide a springboard for higher demands by labor generally. The effects of this will mushroom through industry, resulting in price increases in many products and materials."

While steel management also claims the results of the contract are inflationary, Administration officials—as could be expected—

insist it is not. They say any price rises will be "moderate and non-inflationary."

What the Administration economists are coming close to saying is that they are willing to take a little inflation in order to assure that the economy keeps growing, a position ordinarily associated with some Democrats.

Whether this "little inflation" will be fed and fattened by the economic chain reaction anticipated by many is a moot question at this time. At least one important factor, however, indicates this possibility—the majority of firms responding to the PURCHASING WEEK survey insists they would be able to absorb little if any part of a steel price hike.

"We've already absorbed several price increases and we're about scraping the bottom," was the reaction of D. E. Spradling, general manager of Inca Metal Products, a Dallas steel shelving and cabinet producer. "We'll have to pass another increase on to our customers."

An executive of Clary Corp., major office machine maker in San Gabriel, Calif. offered this comment: "Although our prices are largely determined by competition, I think a 3% rise in steel costs would tend to force our prices up about 2% or more."

Most metalworking firms queried in Boston as well as many steel users in Akron, Ohio, admit they would be forced to pass along any and all steel price boosts.

Foreign Competition Lurks

Several firms, however, said they would be forced to absorb higher steel costs, but in just about all cases the reason was: "Competition wouldn't permit a price increase on our part right now."

A large St. Louis motors manufacturer, noting that it too would be unable to "eat" any price increase, declared, "The long range effect cannot be anything but inflationary. If prices start climbing, there'll be a lot more American steel users sampling steel imports."

While many of the firms queried were reluctant to discuss this point—whether they would or wouldn't turn to foreign steel—there were definite indications that more companies would give more thought to imports, depending upon the amount of any U.S. steel price boost.

One factor that could possibly block any major industry swing to foreign steel is this: Importers predict both European and Japanese steel prices are likely to rise in direct proportion with U.S. price hikes.

New York—With steel back in business, demand for copper, lead, and zinc shot up last week, and producers agreed prices appear headed up also.

"With steel production assured for the coming year, all non-ferrous metals will show a tendency to strengthen," a leading producer told PURCHASING WEEK. "We should see a strong market at least through June and then things will level out again."

Here's how the price outlook shapes up:

• **Copper:** If production at Kennecott, Phelps-Dodge, and Anaconda doesn't resume shortly, sources say strong demand could lift the producers' price to 35¢ and the custom smelters' price to 36-37¢.

• **Lead:** Several producers expect lead to bounce back to 12½¢ by the end of the month. It could edge up to 13¢ in a few months if continued demand can support the rise.

• **Zinc:** The current 12½¢ E. St. Louis base price will probably go to 13¢ by March or before, according to several producers. Premiums on the two higher grades of zinc are expected to rise momentarily.

• **Nickel:** A 15% increase in nickel production has been predicted for 1960, but producers

were reluctant to discuss price.

Despite these prospects for higher prices, most leaders in the nonferrous metals industry agreed with a spokesman for Phelps-Dodge, who said:

"The steel settlement will be good for the entire economy. Production will go up in all industries, including ours."

Only dark cloud hovering over the industry was the still-lingering copper strike, which has kept Anaconda and Phelps-Dodge out of business for the past five months. While Kennecott has settled with its unions, its giant Bingham Canyon, Utah, pit is still not back in operation.

"With this large segment of the industry still not functioning," said a spokesman for American Smelting and Refining Co., "there is a great shortage of copper. This in itself would make for a tight market even if the steel settlement had not renewed the demand for copper."

"I believe," he added, "the steel peace will increase the pressure for a settlement in copper."

But sources at Anaconda and Phelps-Dodge were less hopeful, admitting, "We're still negotiating, and negotiations don't seem to be progressing. The steel settlement may even strengthen the union's hand."

Hand-to-Mouth Pricing Pattern Now Seems to Be the P.A.'s Big Pitfall

(Continued from page 1)
firm to pass along any upcoming hikes to customers.

"My personal opinion is that the price structure will be set within a short period of time," he added, "but until then we will continue to quote prices subject to an increase."

Edgar H. Loyd, president of the Pacific Tube Co., Los Angeles, said he is continuing the policy of "not quoting firm prices."

"Prices are those in effect at the time of shipment," he explained. "Except for some government contracts, we don't have escalator clauses. In all instances, if steel goes up, we will be set to follow the same pattern."

The Crane Co., major Chicago plumbing supply firm, is among those caught in the web of stiff competition. Right now, Crane is accepting firm orders at firm prices, although escalation goes into effect if delivery is after one year from the time the order is placed.

If Crane accepts an order now at the current price for delivery in September, for example, and steel goes up \$5 a ton in July, Crane will have to "eat it."

A major machinery equipment maker in Sacramento, Calif. finds himself in the same bind, but is managing to limit his "firm price" quotations to only three months. "We advised our customers of this," he said, "because we would probably be forced to pass on higher steel prices."

The majority of metal product firms queried by PURCHASING WEEK, however, admit they are telling P.A.'s that prices—at least until the smog clears—will be

"subject to change without notice."

"We are not using escalator clauses," John Davey, sales vice president for Russell, Burdall & Ward Bolt & Nut Co., Port Chester, N. Y. explained, "but our prices are currently subject to change without notice. This is on both the prices we quote and the prices that steel suppliers quote us."

"Sometimes," he added, "shipments of steel have already been delivered to us and we're notified of a price change."

Kenworth Motor Truck Corp., Seattle, Wash., is among those using escalator clauses in contracts and intends to continue this practice until well after steel prices and reverberating effects settle down.

As to when this will come about, guesses vary all over the lot. Some firms predict 60 days, others 90. And still others figure the price hedge-podge will continue at least six months. It adds up to a major buyer headache no matter how long it lasts.

Minnesota Approves Hike Of 7% on Petroleum Items

Minneapolis—Minnesota's State Railroad and Warehouse Commission has approved a 7% trucking rate boost for petroleum products.

The new rate, replaces an emergency 6% hike effected last Feb. 4. Commission rate expert Otto Radke said he thought the boost would cost shippers between \$60,000 and \$75,000 more a year.

What's in the Contract

Total Cost 41.34 cents
Length, 30 months, to June 30, 1962
Wages 7¢ Dec. 1, 1960
7¢ Oct. 1, 1961
Pensions, Insurance 11¢
Cost-of-living (Est) 7.2¢
Other 9.5¢

Senate May Nose into GE Actions

(Continued from page 1)
 Westinghouse, another manufacturer involved in the Philadelphia grand jury investigation, made a routine disclaimer in reacting to the Cordiner speech.

Westinghouse said it too has a long-standing policy to "comply fully with antitrust, marketing and trade regulation laws." The Westinghouse statement said the company "will not condone any violation of our policy, neither will it prejudice any employee."

Apparently Few Cases

Cordiner emphasized the GE disciplinary actions were taken to "preserve a standard of business ethics in this company in relation to the area of the anti-trust laws which will be beyond reproach." Though Cordiner did not mention names or numbers, other spokesmen indicated that less than a dozen GE employees had so far been affected.

When the Philadelphia grand jury was announced last June, Cordiner said he then believed that GE could not be involved in "any irregularities or collusion with competitors in pricing." At this time, various GE general

managers denied they had discussed prices when questioned about the matter by superior officials and company lawyers.

But, continues Cordiner's account, in the middle of October 1959, "we received information that certain individuals appearing before the grand jury in Philadelphia had testified that there had been price discussion between competitors in the electrical manufacturing industry with respect to the products of some General Electric operating components, and that certain

general managers of these operating components had been mentioned by name as having participated in these discussions."

The subject was again taken up with the GE employees involved. "This time," says Cordiner, "when confronted with the outside information, they acknowledged that during the past several years, and in some cases continuing in 1959, they had been a party to the discussion of prices with their competitors in violation of the company's directive policy 20.5. That they

knew what they were doing was wrong was borne out by the fact that they concealed this activity from their lawyers, the executives, and anyone also not party to the activity."

As Cordiner makes clear in his speech, the kind of ethics here revealed is most disturbing to GE's top management. Cordiner and other top GE executives were chagrined to find—as Cordiner described it—such "misrepresentations" inside the company.

There is no doubt that Cordiner acted deliberately in dropping his bombshell. GE public relations men were at work to see that his speech was widely

distributed in New York and Washington the same day it was made.

Cordiner himself raises the possibility that some GE officials involved "may be found personally and individually liable under criminal indictments which may be returned by the grand jury." But, as he put it, "our policy . . . goes further than the anti-trust laws require."

Justice Department lawyers would not comment at all on the possible implications of GE's forthright action on the pending grand jury. But speculation that indictments will be returned has increased as a result of Cordiner's remarks.

Uncle Sam Places Small Car Orders

Washington—The government has placed a \$10.7 million order for 6,231 new passenger cars, station wagons and light trucks with the automobile manufacturers.

The order includes 3,813 vehicles from General Motors for \$5.9 million; 1,295 vehicles from Chrysler Motors Corp. for \$3.1 million; 632 vehicles from American Motors for \$916,303; and 491 vehicles from Studebaker-Packard for \$717,945.

Purchase of the vehicles for civilian agencies of the government was by competitive bid. Ford Motor Co. was the only manufacturer not receiving a contract. No foreign manufacturer bid on the order.

Among the new cars purchased are 340 small American Ramblers with the 100-in. wheel base, and 491 eight cylinder Larks having 108-in. wheel bases. The government has bought the larger model Ramblers previously, but this is the first time it bought the 100-in. wheel base models. The remaining passenger cars purchased are Chevrolets, Plymouths, and larger style Ramblers. None of the new Detroit compact cars put on the market this fall were purchased.

By law, the government can not pay more than \$1,500, plus transportation costs, for its new cars. Similar vehicles delivered to the Washington, D. C. area cost an average of \$1,529 this year compared with \$1,520 last year.

The Pentagon won't put out an order for its civilian type vehicles for another two to three months, a Pentagon spokesman says. Last year, the military purchased 1,961 passenger autos with 1,767 of them of the Rambler type. None, however, were of the small 100-in. wheel base type.

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